

# Resettlement Framework

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



## CURRENCY EQUIVALENTS

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## ABBREVIATIONS

ADB	Asian Development Bank
APs	affected people / person
BGs	building groups
CDC	Compensation Determination Committee
CDO	Chief District Officer
CISC	Central Implementation Support Consultant
DDC	District Development Committee
DISC	District Implementation Support Consultant
DOLIDAR	Department of Local Infrastructure Development and Agricultural Roads
DP	displaced person / people
DPO	district project office / officer
DRILP	Decentralized Rural Infrastructure and Livelihood Project
DTO	district technical office / officer
EA	executing agency
GRC	Grievance Redress Committee
ha	hectare
HH	HH
IA	Implementing Agency
km	kilometer
LRO	Land Revenue Office / Officer
m	meter
MLD	Ministry of Local Development
NGO	Nongovernment organization
NSTB	Nepal Skill Testing Board
PCU	Project Coordination Unit
PPTA	project preparatory technical assistance
RF	Resettlement Framework
ROW	Right-of-way
RP	Resettlement Plan
SES	Socio-economic Survey
SIA	Social Impact Assessment

SPS	Safeguard Policy Statement
VDC	Village Development Committee
VWRCC	Village Works Road Construction Committee

### **GLOSSARY**

Cut-off Date	The date of census survey to count the DPs and their affected land and assets.
Dalits	The formerly “untouchable” castes now calling themselves Dalits (“oppressed”, “broken”, or “crushed”).
Land Donation	Land owners’ willingness to provide part of his land for the project in expectation of project benefits. It must be voluntary or unforced and confirmed in written agreement witnessed by third part.
Displaced Person	Displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.
Legalizable	Those who do not have formal legal rights to land when DPs are recorded, but could claim rights to such land under the law of Nepal.
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 HH is considered poor. 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 DPs 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 displaced person/HH falls below the poverty line.
Project Affected Family	A family consisting of DPs, 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.

Third Party	An agency or organization to witness and/or verify "no coercion" clause in an agreement with DPs in case of voluntary land donation. One independent agency (i.e. not involved in project implementation), preferably working on rights aspect, will be recruited in each development region to serve this function.
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 DPs.
Women Headed HH	HH 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 geographical boundary of 1.5 hours walking distance from the subproject road alignment considered to establish socio-economic parameters for pre-project scenario to compare them with those established after the project interventions.

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## **RESETTLEMENT FRAMEWORK**

### **I. INTRODUCTION**

1. The Decentralized Rural Infrastructure and Livelihood Project (DRILP) – Additional Financing, referred to as the Project, will be an extension of the Decentralized Rural Infrastructure and Livelihood Project approved in 2004. The Project aims to reduce poverty in 18 very poor remote hill and mountain districts<sup>1</sup> of Nepal. The Project will improve access to economic and social services and enhance social and financial capital of the people in the project area through construction of rural infrastructure and community development program. The project's outputs include (i) rural transport infrastructure network extended and maintained; (ii) supplementary investments provided for community infrastructure; (iii) income generating capacity of rural households (HH) enhanced; and (iv) project management and implementation capacities strengthened at Central and District levels. The Department of Local Infrastructure Development and Agricultural Roads (DOLIDAR) is the Executing Agency (EA) and the District Development Committees (DDCs) will be the Implementing Agencies. The Project will be financed by the Asian Development Bank (ADB) and other donors and ADB will take the lead on ensuring social and environmental safeguards in project preparation and implementation.

2. This Resettlement Framework (RF) is prepared to provide the policy and procedures to screen, assess, and plan land acquisition and resettlement aspects of subprojects that are prepared and approved during the Project implementation in compliance with ADB's Safeguard Policy Statement (SPS) requirements as well as applicable national laws. There are two components under the project which may require land and assets. However, land requirements and availability, which would vary from sub project to subproject and supplementary infrastructure, is unknown until the specific subprojects are identified and civil works needs assessed. As the project is being sector project and land needs would be determined only after detail design of the project. As such, the RF is prepared.

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

3. The objective of this RF is to: (i) provide policy, principles and guideline on process to be followed in land acquisition during implementation, adverse impact mitigation measures and entitlement standards; (ii) outline guidance on subproject information disclosure and consultation, institutional arrangement and implementation monitoring arrangements; and (iii) ensure compliance with the SPS requirements of ADB on involuntary resettlement. It sets out the policies and procedures to be adopted by the EAs in preparation of investment subproject RPs based on detailed design for submission to ADB for review and approval prior to the construction of road by road Building Groups (BGs) and award of construction works contract.

4. The principles of the RF are to (i) avoid land acquisition and involuntary resettlement; and (ii) minimize it where it is unavoidable exploring possible alternative, and ensure that land owner receive appropriate compensation, so that they would be at least as well off as they would have been in the absence of the project. The detailed designs for the subprojects will be carried out with the objective of minimizing the need for land acquisition and involuntary resettlement taking into account the DOLIDAR design criteria for each type of infrastructure development.

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<sup>1</sup> The 18 project districts are Taplejung, Solukhumbu, Okhaldunga, Ramechhap, Gorkha, Lamjung, Baglung, Myagdi, Jajarkot, Dolpa, Jumla, Mugu, Humla, Kalikot, Bajhang, Bajura, Baitadi, and Darchula.

## A. Resettlement Policy and Legal Framework

### 1. Applicable Legal and Policy Framework

5. Nepal lacks a comprehensive policy on involuntary resettlement. However, there are many acts, rules and regulations governing land acquisition and involuntary resettlement. The interim constitution of Nepal, land acquisition act, land reform act, land revenue act, road act and guthi sansthan act are the major acts relevant to land acquisition and compensation.

6. The **Interim Constitution of Nepal (2007)** guarantees the fundamental rights of a citizen. Article 19 (1) establishes the right to property for every citizen of Nepal, whereby every citizen is entitled to earn, use, sell and exercise their right to property under existing laws. Article 19 (2) states that except for social welfare, the state will not acquire or exercise authority over individual property. Article 19 (3) states that when the state acquires or establishes its right over private property, the state will compensate for loss of property and the basis and procedure for such compensation will be specified under relevant laws.

7. The **Land Reform Act (1964)** is also relevant. As per the Act, a landowner may not be compensated for more land than he is entitled to under the law. This Act also establishes the tiller's right on the land which he is tilling. The land reform act additionally specifies the compensation entitlements of registered tenants on land sold by the owner or acquired for the development purposes. The Act amendment most recently in 2001 has established a rule that when state acquires land under tenancy, the tenant and the landlord will each be entitled to 50% of the total compensation amount.

8. The **Land Revenue Act (1977)** is also applicable, as the land acquisition involves change of ownership of land. Article 8 of the Act states that registration, change in ownership, termination of ownership right and maintenance of land records are done by Land Revenue Office (LRO). Similarly Article 16 says, if land revenue is not paid by the concerned owner for long period of time, the revenue can be collected through auction of the parcel of the land for which revenue has been due.

9. The **Malpot Aien or Land Revenue (land administration and revenue)Act, 2034** This is the main Act to carry out land administration including maintenance and updating records, collection of land revenue and settlement of the disputes after completion of survey and handing over of the records to LRO by the Survey Parties. It authorizes the LRO to registration, ownership transfer and deed transfer of land. This Act also authorizes the LRO to transfer ownership and deeds of individual land, if any person applied for the ownership transfer of his/or land with mutual understanding for public use with recommendation of relevant committee.

10. The **Public Roads Act, 2031 (1974)** empowers the government to acquire any land on a temporary basis for storage facilities, construction camps and so on during construction and upgrading of roads. Any buildings and other structures such as houses, sheds, schools, and temples are to be avoided wherever possible. The government is required to pay compensation for any damages caused to buildings, standing crops and trees. Compensation rates are negotiated between the government and the landowners.

11. Land acquisition must also comply with the provisions set out in the Guthi Corporation Act 1976. The Section 42 of the Act states that Guthi (religious/trust) land acquired for a development must be replaced with other land.

12. The **Land Acquisition Act (1977)** and its subsequent amendment in 1993 specify procedures of land acquisition and compensation. The Act empowers the Government to

acquire any land, on the payment of compensation, for public purposes or for the operation of any development project initiated by government institutions. There is a provision of Compensation Determination Committee (CDC) chaired by Chief District Officer to determine compensation rates for affected properties. The Act also includes a provision for acquisition of land through negotiations. It states in Clause 27 "notwithstanding anything contained elsewhere in this Act, the Government may acquire any land for any purpose through negotiations with the concerned land owner. It shall not be necessary to comply with the procedure laid down in this act when acquiring land through negotiations."

13. DDCs in Nepal are independent body and responsible for local development planning and management. The development activities implemented by DDCs are governed by Local Self Governance Act (LSGA). The act states that DDC will acquire land required for public purposes following procedures described in LSGA. However, DDCs are implementing infrastructure development activities through voluntarily donation of a part of beneficiaries land in building community/rural roads and small-scale rural infrastructure that provide direct benefit to community. Nepal has its own historical tradition of land donation for the construction of public services.

## **2. ADB's Involuntary Resettlement Policy**

14. The important elements of ADB's SPS 2009 on involuntary resettlement 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. Some or all of these elements may be present in a project involving involuntary resettlement.

15. For ADB operation requiring involuntary resettlement, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into the account the following basic principles:

- (i) Involuntary resettlement will be avoided where feasible. Where population displacement is unavoidable, it should be minimized.
- (ii) All lost assets acquired or affected will be compensated. Compensation is based on the principle of replacement cost.
- (iii) Each involuntary resettlement is conceived as part of a development project or program: the displaced persons (DPs) need to be provided with sufficient resources to re-establish their livelihoods and homes with time-bound action in coordination with civil works.
- (iv) The DPs are to be fully informed and meaningfully consulted.
- (v) DPs are to be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted.
- (vi) The absence of formal title to land is not a bar to assistance entitlements.
- (vii) Affected people (DPs) are to be identified and recorded as early as possible to establish their eligibility, through a census which serves as a cut-off-date, and prevents subsequent influx of encroachers.
- (viii) Particular attention will be paid to vulnerable groups including those without legal title to land or other assets; HH headed by women; the elderly or disabled; and indigenous groups. Assistance must be provided to help them improve their socio-economic status.
- (ix) The full resettlement cost will be included in the presentation of project costs and benefits.

### 3. Comparison of Borrower's Policy with ADB's Policy requirements

16. Table 1 below compares gaps between national legal framework and ADB SPS requirements and delineates the measures to fill the gaps.

**Table 1: Gaps between Government Law and ADB's SPS and Measures to fill gap**

#	Key Issues	Government Laws	ADB SPS	Measures Adopted in the RF
1	Severity of Impact: Loss of more than 10% of the total landholdings and income	Do not consider the percentage loss of income or total land holdings	Income restoration program such as training and other measures to restore and improve the standard of living of the displaced HHs	Provision has been made to provide training and measures in the EM
2	Squatters/illegal occupants/non-titled land users	Do not consider squatters/ encroachers/ non-titled land users for compensation	Not entitled for compensation for land; squatters/ vulnerable encroachers/non title holders are entitled to payment for the structures/houses/ business and other assistance	Provision has been made to provide compensation for the structures/houses/ business including loss of sources of livelihoods in the EM.
3	Valuation of affected land, houses & other structures and trees	Compensation rate will be determined by CDC, consisting of (i) CDO, (ii) representative from DDC (iii) Chief of LRO (iv) Project Manager	All compensation is based on the principle of replacement cost	Provision has been made for the replacement value for the loss of land, houses/structures including transaction costs. DPs are allowed to take salvaged materials. CDC will make final decision on the rates in the presence of representatives from DPs, VDCs, civil society, who will attend the meeting as an observer.
4	Other assistance for relocation of the houses	No provision	All the eligible DPs including tenants, employees are entitled to receive financial assistance to cover physical and economical displacement	Provision has been made for the transitional allowances, transport allowances.
5	Vulnerable Groups	No provision	Focused on the poor and vulnerable group to avoid future impoverishment and create new opportunities	Provision has been made for income restoration program and other financial assistance.

CDC = Compensation Determination Committee; CDO = Chief District Officer; DDC = District Development Committee; DP = displaced people; EM = Entitlement Matrix; HH = household; LRO = Land Revenue Office; VDC = Village Development Committee.

#### 4. The Project Policy

##### a. Policy Principles

17. The existing policy/legal provisions are inadequate to meet the ADB's resettlement policy requirements. Taking into the account on experiences and learning from infrastructure projects implemented by the DDCs and measures recommended to fill the identified gaps, the Project will adopt following key resettlement principles:

- (i) Involuntary land acquisition and resettlement impact will be avoided or minimized through careful planning and design of the project;
- (ii) For any unavoidable involuntary land acquisition and resettlement, APs will be provided compensation at replacement cost and/or assistance so that they will be as well-off as without the project;
- (iii) DPs will not be forced for donation of their land, and there will be adequate safeguards for voluntary land donation;
- (iv) DPs will be fully informed and consulted during project design and implementation, particularly on land acquisition and compensation options;
- (v) The absence of formal legal title to land will not be a bar to compensation for house, structures and trees/crops, and particular attention will be paid to vulnerable groups and appropriate assistance provided to help them improve their socio-economic status;
- (vi) Land compensation and resettlement assistance will be completed before commencement of civil works contracts, while other rehabilitation activities will continue during project construction; and
- (vii) Land acquisition and resettlement will be conceived part of the project and the costs related to resettlement will be included in and financed out of the project cost.

18. While selecting the subproject, the EA will define the category/type of road to be constructed and declare the Right of Way (ROW) to a minimum possible width. Normally, 8 meters (m) width of road corridor will be maintained, except in few sections which require additional support structures. Alignment designers will select the least agriculturally productive land and will avoid settlement areas while selecting the road alignment.

19. The sub-project selection and implementation will follow community-driven approach, which gives communities control over planning and project implementation. The Project will focus more on rural infrastructure that provide direct benefits to community, including improved access to markets and services such as schools, health and other public services. Experience from DRILP shows that the improved road also leads to higher value and production of local land because of improved access and availability of agricultural inputs.

20. Given that most local people are willing to voluntarily donate part of their land in building community/rural roads and small-scale rural infrastructure that provide direct benefits to the community, the Project will also continue to some extent the Nepal's tradition of land donation. However, adequate process and safeguards will be built into subproject RPs to ensure that the voluntary land donation is unforced and it doesn't lead to impoverishment of DPs, including:

- (i) Full consultation with DPs and communities on selection of sites and appropriate design to avoid/minimize additional land take and resettlement effects;
- (ii) As a first principle, DPs will be informed of their right to entitle compensation for any loss of their property (house, land, and trees) that might be caused by the

- project construction, and the land donation might be accepted only as a last option;
- (iii) Full recognition of, and respect of, community choice between compensation and donation through community consultation meetings reported in the walkthrough Survey Reports;
  - (iv) No one will be forced to donate their land and DPs will have the right to refuse land donation proposal from EA;
  - (v) In case DPs are directly linked to project benefits and thus are willing to voluntarily donate their land after they are fully informed about their entitlement, the project will assess their socio-economic status and potential impact of land donation and accept land donation only from those DPs who do not fall below the poverty line after the land donation (Note: analysis of core sub-projects shows that all DPs losing >10% of land holding fall under poverty line so excluded from land donation, and hence the land donation will be limited to 10% of total land holding);
  - (vi) Any voluntary land donation (after the process as mentioned above) will be confirmed through a written record, including a "no coercion" clause verified by an independent external party (Format in Annex 1);
  - (vii) The donation will be limited to only land and minor assets (houses and major assets will be excluded from donation); and
  - (viii) A Grievance Redress Committee (GRC) will be set up in every road section (chaired by local leaders, including representatives of DPs); and DPs who are not satisfied with the land donation can file their complaint with the GRC. If the GRC finds out that the above provisions were not complied with, DPs will be excluded from land donation.

21. Based on the socio-economic and resettlement impact analysis of the core subprojects and lesson learnt from DRILP and to avoid potential preparatory delay in resettlement planning, the Project will adopt following criteria, among others, while selecting sub-projects during implementation:

- (i) The priority in selection of subproject will be given to those which don't require additional land such as rehabilitation of existing infrastructure.
- (ii) Priority will be given to those subprojects where preliminary resettlement planning activities has already done.
- (iii) The subprojects where additional land requirement is unavoidable to improve the road standards and safety, priority will be given to road rehabilitation or road upgrading where track is already open, do not physically displace families and loss of house limited within 20 houses along the alignment.
- (iv) The selection criteria for supplementary infrastructure will exclude any subproject that may involve land acquisition and resettlement. They will be implemented only if land is already available or do not require additional land.

## **B. Likely Scope of Land Acquisition and Resettlement**

22. The project preparatory technical assistance (PPTA) has made feasibility studies for three subprojects prepared under DRILP, the Dhungesangu – Dobhan Road in Taplejung; the Gama-Nele Budhidanda Road in Solukhumbu' and the Barabhise-Aatichaur Road in Bajura.

23. In Taplejung District the proposed subproject II is Dhungesangu to Dobhan which crosses three Village Development Committees (VDCs) namely Sangu, Dhungesangu and Change. The baseline survey of the zone of influence area and 20% sample survey has been completed about 1 year ago (2010). However, the detailed design is not yet completed, so no

Resettlement Plan (RP) has been prepared for the Taplejung subproject, although an estimated 1,960 DPs having 17 hectares (ha) of private land will be affected by the subproject.

24. In Solukhumbu District, the proposed subproject Gama-Nele–Budidanda is about 27 kilometers (km) in length, of which an RP for only 9.6 km was prepared and approved. According to the RP, some 655 DPs, with 3.57 ha of private land will be acquired by the subproject. An RP for the remaining 17.4 km is yet to be done.

25. Similarly, in Bajura District, out of a proposed 22.7 km, an RP has so far been prepared for only 13 km. It is estimated that about 2,230 DPs, with 11.29 ha of land will be affected by the subproject. Some 16 houses will require dismantling and 1,105 fruit and fodder trees will be affected by the subproject.

26. Besides the above three subprojects identified for PPTA feasibility studies, the PPTA also had access to 18 RPs prepared for DRILP, all available at the DRILP website and 8 available on the ADB's website. These have been reviewed for resettlement effects, socioeconomic background, and were used for estimating the project estimated costs.

27. The rehabilitation of existing infrastructure is not expected to involve any land acquisition and resettlement. However, subprojects with new civil works construction may require additional land for their ROW. Mostly, road projects will need additional land and thus may trigger ADB's SPS requirements. Based on a typical cross-section of a project road, 8 m wide ROW is envisaged for most road sections, except for those which require additional structures (e.g., retaining walls). In this way, new road construction may require about 2 ha/km. Of which, about 94% is expected to involve privately owned land and the remaining to be government/public land. While the private land may also involve private trees and structures, the extent of population displacement or relocation of houses is expected to be low in rural roads. Other sub-sectors are not expected to involve any land acquisition and resettlement, as their selection criteria exclude any subprojects that require additional private land and/or involve any involuntary resettlement impacts.

28. The three road subprojects were studied under the PPTA, and RPs have been prepared for these subprojects. These will serve as sample documents for the future subprojects. Table 2 summarizes scope of land acquisition and resettlement for these subprojects.

**Table 2: Scope of Land Acquisition and Resettlement in Core Subprojects**

Name	Total Km	Public Land	Private Land	House	Tree	Other Structures	DPs
Dhangesangu – Dobhan in Taplejung <sup>a</sup>	21.8	x	17.0 ha	4	2,000	x	1,960 (350 HH)
Gama-Nele Budhidanda in Solukhumbu <sup>b</sup>	27.1	0.35 ha	3.57 ha	X	373	X	655 (117 HH)
Barahbise-Aatichaur in Bajura <sup>c</sup>	22.7	1.71 ha	11.29 ha	16	1,105	2	2,230 (277HH)
<b>Total</b>	<b>71.6</b>	<b>2.01 ha</b>	<b>31.86 ha</b>	<b>20</b>			

Ha = hectare; HH = household

<sup>a</sup> Taplejung: Rough estimate for 21.8 km (Source: Mr. Harish Chandra Chiluwal, SMC, DISC Taplejung).

<sup>b</sup> Solukhumbu: Only 9.6 km completed RP – ADB Approved. No further work carried (Source: R. Dhakal, PCU).

<sup>c</sup> Have prepared RP for 13 km, approved by the Ministry of Local Development.

Note: The above information includes a tentative estimate for 21.8 km for Taplejung. The Solukhumbu and Bajura estimates are according to a prepared RP for the former district for 9.6 km and an estimate for a 13 km road in the latter district.

29. As the land acquisition and resettlement needs will not be identified until detailed design, estimated total numbers of projected displaced persons/families cannot be detailed in this section but will be calculated for each subproject during the feasibility study. Based on DRILP experience, the Project's total resettlement budget will be between 6-10% of construction costs. Although exact numbers of land acquisition and DPs are not available in advance of the Project implementation, based on DRILP experience, it can be estimated that some 123.95 ha of private land can be expected to be acquired and affecting some 25,500 DPs.<sup>2</sup>

### **C. Entitlements**

30. The project is expected to have minimal impacts on land acquisition and resettlement. The land within the existing ROW conformed by due diligence will be not be compensated for. The existing ROW for road improvement/upgrading will be defined as if it has been used for road traffic for past 3 years or written confirmation given by the community meeting of private owner about ROW. The additional land required for newly defined road width, beyond the existing ROW, will be subject to social impact assessment and land donation eligibility analysis. All involuntary land acquisition (other than exceptional voluntary land donation) will be compensated at replacement cost and DPs assisted so that their economic and social future would generally be as favorable as it would have been in the pre-project standards.

31. The absence to formal title to land will not be a bar to compensation assistance for loss of assets and special attention will be paid to ensuring that HHs headed by women and other vulnerable groups receive appropriate assistance. The date of the census will be the "cut-off-date" for the entitlement, and owners (including non-titled) of affected assets till such a date will be eligible to be categorized as DPs. The displaced persons will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the DPs. The description of each compensation measures and assistance is provided in entitlement policy/matrix is in Table 3.

32. The entitlements are replacement of land for land, or at full replacement cost including land registration costs. Non-titled holders will be entitled to resettlement and rehabilitation assistances. If IOL records people conducting informal business within existing RoW and verified by IOL that they are not compensated before will be eligible for entitlements. Compensation for houses and other structures will be at replacement cost for materials and labour without deduction of depreciation and salvaged material. Tenants and squatters within the ROW will only be relocated if the land is required for the works.

33. Full compensation payments for land acquisition must be completed before award of civil works contracts. In the cases of absentee owners, attempts must be made to contact them and notify them of their rights, payment can be delayed until their return at the festival season, or payment can be made to the spouse on production of a certificate of relationship from the VDC. This is particularly helpful to women whose husbands are away working and are de facto heads of the HH. Land acquisition does not take precedence over land dispute cases awaiting court decisions. Compensation payment has to wait until the court has made a decision. Projected affected HHs who refuse to go through the claim process as the sums offered are too small should be notified that the money will be placed in a suspense account by the Chief District Office (CDO) or they can choose to voluntarily donate the land.

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<sup>2</sup> Based on the 18 RPs prepared for sub-projects under DRILP (See Appendix A) and the DRILP I Trimester Report of March 2011.

34. Land titles will be transferred from displaced person to government of Nepal immediately after compensation payment or agreement of land donation at no cost to the original owner. The Project will arrange required and sufficient resources to support concern line agency representatives to facilitate the land acquisition process.

**Table 3: Entitlement Policy Matrix**

Type of Loss	Application	Definition of Entitled Persons	Policy/Entitlement
1. Acquisition of private, tenancy, or <i>Guthi</i> Land (Land Endowed by the State and individuals for religious, philanthropic and charitable purposes)	Entire or part of land to be acquired from owner of the land as recorded at cut off date	<ul style="list-style-type: none"> <li>• Titleholder</li> <li>• Tenants</li> </ul>	<ul style="list-style-type: none"> <li>• Land with equivalent size and category, or cash compensation at replacement cost</li> <li>• In case of vulnerable group, preference will be in replacing land for land.</li> <li>• Any transfer costs, registration fees or charges</li> <li>• Tenant will receive the 50% value of the land<sup>a</sup></li> <li>• Land registration in the name of both land owner and spouse (in case of land for land compensation)</li> <li>• If remaining land becomes unviable as a result of land acquisition, DPs will have option to relinquish unviable remaining portion of land and receive similar benefits to those losing all their land parcel.</li> <li>• Non-titled persons will receive compensation for crops and subsistence allowance for 1 year crop, and provided with replacement land if <i>ailani</i> or Gov. land is available in the village. Any upfront costs for the tenancy agreement will be reimbursed either through an agreement with the land lord or by the EA</li> </ul>
2. Temporary loss of land	Temporary land taken by the Project	<ul style="list-style-type: none"> <li>• Titleholder</li> <li>• Tenants</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation at replacement cost for the net loss of income, damaged assets, crops and trees, etc.</li> <li>• Rent for the land.</li> <li>• An agreement between contractors and DPs before entering the site.</li> </ul>
3. Loss of residential, commercial, and other structure	Structures, buildings including cattle shed, walls, toilets Etc. affected by the Project.	<ul style="list-style-type: none"> <li>• Owner</li> <li>• Tenants</li> <li>• Non-titled (encroachers/squatters)</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation for full or partial loss at replacement cost of the affected structure without depreciation or deduction for salvaged material.</li> <li>• Displacement and transportation allowance for residential and commercial structures to cover actual transact cost as estimated in the RP, equivalent to 2 month's local daily labor wage. The DPs are entitled to take all the salvaged materials.</li> <li>• Rental stipend equivalent of one months' rent for tenants who have to relocate from tented building.</li> </ul>
4. Loss of	Community facilities (e.g.	The users of the facility or	<ul style="list-style-type: none"> <li>• Reconstruction by the project leaving such facilities in a better condition than</li> </ul>

Type of Loss	Application	Definition of Entitled Persons	Policy/Entitlement
community structures/ resources	irrigation, water, etc.) Affected by the Project.	community or group	they were before or reconstruction of the affected structures with the consultation of the community.  • Cash compensation at full replacement cost without depreciation of deduction for salvaged material.
5. Loss of trees and crops	Affected fruit/nut trees	Owner of the affected fruit/nut trees	Cash compensation based on annual production of the remaining life of the tree at full replacement value plus transaction costs and calculated according to the DOA norms.  Cost for replacement planting and nurturing seedling to the trees current state.  RPs to confirm that the DOA norms and techniques are sufficient and updated regularly.
	Affected timber and fodder trees	Owner of the affected timber and fodder trees	Cash compensation based on calculation of the production and calculated according to the District norms as decided by theDOF.
	Affected crops	Owner of the affected crops Sharecropper of the affected crops	• Cash compensation based on the locally market prices for the produce of one year and calculated as per the norms of DADO.  • 50% cash compensation of the lost crop for the sharecropper.
6. Loss of economic opportunity	Economic opportunity lost as result of loss of livelihood base.	Persons in the road vicinity who may be adversely affected, although they do not lose assets as such	• Preferential involvement in project construction works.  • Skills training support for economic restoration  • Priority in poverty reduction/social development program
7. Loss of time and travel expenses	All expenses incurred in travelling to fill application and making claims and time lost.	The entire project displaced persons eligible for compensation.	Project facilitates transportation in official process  Payment in the same day as other compensation.
8.Land donations	Loss of land and other assets by means of voluntary donation	Voluntary donation is accepted only if AP:  • Is project beneficiary and is fully consulted and informed about their rights;	• No compensation for the donated land, but entitled for compensation of other assets such as house, structures, allowances, etc.  • Transfer of land ownership by negotiation (DDC and the owner).  • Free/escape of any transfer costs, registration fees or charges.

Type of Loss	Application	Definition of Entitled Persons	Policy/Entitlement
		<ul style="list-style-type: none"> <li>• Doesn't fall below poverty line after land donation;</li> <li>• Donating up to 10% land holding,</li> <li>• Unforced or freely willing to donate,</li> <li>• Donation should be verified by an external party to ensure integrity and impartiality.</li> </ul>	<ul style="list-style-type: none"> <li>• Preferential employment in project construction work.</li> </ul>
9. Additional assistance			
	9.1 Preferential treatment in employment in project activities	All DPs	<ul style="list-style-type: none"> <li>• Construction contracts include provision that DPs will have priority in wage labour/employment on project construction during implementation.</li> <li>• DPs shall be given priority after construction for work as maintenance worker, mandated in local body agreement.</li> </ul>
	9.2 Skill training and income generation support	One member of each project affected families belonging to vulnerable group/below poverty line	<ul style="list-style-type: none"> <li>• Skill training and income generation support financed by project</li> <li>• RP to include a need assessment and skill training program for DPs.</li> </ul>
	9.3 Priority in poverty reduction/social development programs	All DPs	<ul style="list-style-type: none"> <li>• Participation of DPs with priority in saving credit scheme facilitated by the Project.</li> <li>• Participation of DPs with priority in life skills, income generation, and other entrepreneurship.</li> </ul>

AP = affected people; DADO = District Agriculture Development Office; DDC = District Development Committee; DOA = Department of Agriculture; DOF = Department of Forestry; DP = displaced people; EA = executing agency; RP = resettlement plan.

<sup>a</sup> The Tenant, Land Acquisition Act 1977 (2034) was amended on 2055/4/26 (198/08/01). Accordingly the registered Tenant will receive 50 % of the total land cost. Previously, it was only 25 %. The tenant will receive 50% of the total land value provided he/she posses a land entitlement certificate.

### III. SOCIOECONOMIC INFORMATION

#### A. Resettlement Planning Procedures

35. This section provides detailed procedures to be followed in screening, social assessment, and preparation of RPs for sub-projects. It will be ensured that DPs are informed, consulted and participated in the entire sub-project cycle.

##### 1. *Screening and Categorization of Impacts on DPs*

36. Initial screening will be conducted as early as possible in the sub-project cycle to categorize the impacts and identify subsequent approaches and resource requirements to address involuntary resettlement issues. The screening will identify the potential for loss of land, asset/structures, livelihoods, willingness of the community to donate the land to the project, and their impacts through primary and secondary data information collection. The resettlement survey team comprising District Project Office (DPO) staff, engineers, social specialist, and local community representatives will make a walkthrough survey of each sub-project. The team also includes experts from indigenous people to ensure linkage between resettlement and indigenous people planning requirements. The team will visit the subproject site and arrange public meetings in selected settlements including village leaders to provide information about the project and collect their views on resettlement impact and willingness of DPs for any voluntary land donation.

37. Resettlement screening will also enable the categorization of subprojects based on their level of social impacts. A due diligence report will be prepared for the subprojects with sufficient land required within existing ROW. The screening and categorization will be initiated by DPO, and reviewed and confirmed by Project Coordination Unit (PCU). Once finalized, the due diligence report and categorization form will be included in subproject feasibility/design report to be submitted to ADB.

##### 2. *Social Impact Assessment (SIA)*

38. DPO will undertake an SIA as part of the detailed design of the subproject. The SIA will gather relevant information about DPs, including (i) population record of AP, (ii) an inventory of affected assets (land, homes/structures, trees, crops, community services, and income sources) based on the cadastral map, (iii) landownership, usage and productivity assessments, and (iv) data on the existing economic and social condition of DPs, including an assessment of impoverishment risks and a survey of least 10% of AP, together with local-level impact data. The census (IOL) will enumerate 100% of DPs based on site investigation sufficient to identify titled, legalizable and non-titled DPs. While Socio-economic Survey (SES) will sample 10% of DPs. In case of small number of DPs, all DPs will also respond to an SES survey while IOL census is being conducted. Furthermore, the data collected during SES on DPs will be compared with project PSA results in order to evaluate the benefits and impacts of the project on DPs versus all project beneficiaries. The census will also serve as a cut-off date to prevent later influx of outsiders to the project area. The information will be gathered in participation of affected community, local nongovernment organizations (NGOs)/ community-based organizations, and DPs.

39. The SIA will identify potential impacts and measures to avoid/minimize/mitigate involuntary resettlement risks. Vulnerability assessment of DPs will be part of SIA and a list of vulnerable DPs prepared and finalized in consultation with local community. The list and assistance for them will be displayed at the VDC office along with the eligibility criteria based on which the list was derived. The SIA will also assess options for any relocation, opportunities for income

restoration/economic rehabilitation, and any need of social preparation phase for vulnerable groups. It will also solicit DPs willingness to donate their land. Based on this information, the eligibility criteria and entitlement for compensation/assistance will be established in consultation with local stakeholders. Based on the SIA (upon completion of detailed engineering design and detailed measurement survey), the project will prepare appropriate RP.

### **3. Resettlement Plan Preparation**

40. The RP will be prepared based on the results of the census and information drawn from SIA. The RP will include measures to ensure that the socioeconomic condition, needs, and priorities of women are identified, and that the process of land acquisition and resettlement will not disadvantage women. If any adverse impacts on the Indigenous People (IPs) are identified, they will be addressed adequately through an Indigenous Peoples Plan (IPP) or specific actions included in the RP. The DPO assisted by social safeguards officer engaged under CISC will prepare RPs for subprojects based on the engineering design of the road, if necessary, and in consultation with DPs, local representatives, and local NGOs. The RP will be prepared in English and the executive summary, plus entitlement matrix, should be translated to local language and notified to the public.

41. The content of RP includes a statement of involuntary resettlement objective and strategy, with (i) executive summary, (ii) project description; (iii) scope of land acquisition and resettlement; (iv) socio-economic information and profile; (v) information disclosure, consultation and participation; (vi) grievance redress mechanisms; (vii) legal framework; (viii) entitlement, assistance and benefits; (ix) relocation of housing and settlements; (x) income restoration and rehabilitation; (xi) resettlement budget and financing plan; (xii) institutional arrangements; (xiii) implementation schedule; and (xiv) monitoring and reporting plan, showing how activities will be scheduled with time-bound actions in coordination with the civil works. The RP will establish an eligibility cut-off date.

42. Where subprojects involve voluntary land donation, the RP will also include arrangements to deal with losses on a voluntary basis with appropriate safeguards. Such land donations will require a written agreement with the respective landowners. It may be in a form of Memorandum of Understanding between the landowner(s) and the DDC or other documentation acceptable to ADB, including a no coercion clause witnessed by an independent third party e.g. NGO. Such agreement will also be annexed to the RP.

43. The DPO will organize a consultation meeting with DPs and local stakeholders to share the draft RP and inform them about how the concerns raised by them during the screening and walk-through survey have or have not been addressed in the project design. In order to ensure that the subproject design have incorporated concerns raised locally and measures to minimize adverse impacts and enhance project benefits, the RP will be finalized only after the final consultation with displaced persons. A meeting minutes on endorsement of entitlements proposed in RP duly signed by DPs will also be annexed to the RP.

44. The draft RP prepared by the consultant will be reviewed by DPO. DPO will send it to PCU for further review and approval by ADB with their endorsement on the entitlements. RPs will be reviewed by the PCU assisted by social safeguards specialist in CISC and submitted to ADB for review and approval. No section or part thereof under the civil works contract shall be handed over to the contractor nor initiated through road BGs unless the RP has been approved by ADB and required compensation payments should have been completed for all resident land owners. For absentee land owners, honest efforts to contact them should be documented, and where payments cannot be made to a designated alternate (such as a relative) with the land owner's consent, such payments may be held in trust by a local bank.

#### **4. Valuation and Replacement of Assets**

45. An enhanced survey team at District level in the District Technical Office (DTO) assisted by the district implementation support consultant (DISC) will undertake the survey and valuation of affected assets and recommend it to the CDC for final valuation and compensation distribution. The survey team may seek experts' advice from district agriculture office, district forest office, indigenous people expert and other relevant offices for valuation. This enhanced team would be able to review HH details, resources, assets, and income from the affected land to be acquired whilst accompanying the LRO and the surveyor from the Department of Survey. The time necessary to establish ownership and use will have to be planned into project implementation.

46. The CDO, local officers and a representative of the DDC will form the CDC in line with Land Acquisition Act 1977, with the social mobilizer as observer, and agree rates of compensation with the AP. DPs will be compensated at replacement cost for any involuntary land acquisition. The District survey team will assess the various categories of loss envisaged in the entitlement matrix and fix prices/costs for compensation according to the compensation entitlements agreed by the CDC. Safeguards for poor and socially disadvantaged groups will be facilitated by the presence of the social mobilizer, backed by their NGO presence as necessary. Designated third-party or NGO will confirm "no coercion clause" in any voluntary contribution of land. Disagreements over valuations and extent of land-take should be negotiated as quickly as possible in order to reduce delays to letting contracts for reconstruction and the start of construction.

47. Compensation payments will be disbursed by the CDO. A transparent system for checking entitlement against payment is needed with a monitoring exercise to ensure that payment has been made as assessed to the right person. The best arrangement may be to make the payment at the home of the recipient to reduce off-take in town. Payments are made by check and DPs may need help in opening and operating bank accounts. This will be included in the social mobilization program.

48. The efforts will be to timeliness in payments and fairness in the amounts agreed and to take serious steps to find ways to compensate vulnerable families even if they have no land title. Assistance will be given to those without *Lal Purja* (land ownership document) to prove ownership rights and to compensate them for the time lost and travel costs involved in proving and changing land titles.

#### **IV. CONSULTATION, PARTICIPATION, AND DISCLOSURE**

49. The RPs to be developed in each sub-project will identify primary and secondary stakeholders and include specific measures for consultation, participation and information disclosure in full compliance with ADB's SPS. The primary stakeholders include DPs, beneficiaries and stakeholders directly involved in the resettlement planning and implementation. The secondary stakeholder include other individuals or groups with interest in the project, such as local or national government, policy makers, advocacy groups, elected officials, representatives of indigenous people and NGOs.

50. The information dissemination and consultation with the affected people will be the starting point for all activities concerning resettlement. Participation of DPs as well as other stakeholders will be facilitated throughout the subproject cycle. NGOs and community-based organizations will also be used to facilitate this process. Various mechanisms of participation will be adopted in the process, including:

- (i) Information Dissemination/Campaign through NGOs/Consultants/VDCs
- (ii) Public Meetings and Focus Group Discussion
- (iii) Formation of Consultative Groups at VDC Level
- (iv) Interviews/Survey and Frequent Interaction with DPs

51. Public consultation and information dissemination/campaign will be carried out in each VDC to disseminate information about the Project to DPs and local communities. The DPs will be provided with relevant information and consulted during Initial Poverty and Social Assessment, SIA and preparation of RPs. Further, the following information will be made known to the community concerned prior to the SIA and preparation of RP, including agreements for any voluntary land donation, as well as:

- (i) Project Details
- (ii) Agencies involved in Project Implementation and their Responsibilities
- (iii) Project Drawings and List of Potential DPs
- (iv) Summary of RF in Nepali Language
- (v) Eligibility Criteria and Entitlement for Involuntary Land Acquisition as well as for Voluntary Land Donation
- (vi) List of Vulnerable DPs and Support/Assistance to them
- (vii) Likely Construction Schedule
- (viii) Grievance Redress Mechanism

52. The information dissemination will be through posters and pamphlets, public consultation meetings, and direct discussion with the affected families and institutions. Project affected people (PAPs) participation should also be ensured during initial social assessment (ISA), resettlement planning, implementation and monitoring. Details of all public meetings with dates, names of the participants, location and information provided place of announcement, major issues raised and how these have been addressed will be documented in the subproject RPs.

53. A Village Works and Road Construction Committee (VWRCC) will work as local consultative forum. The VWRCC will ensure DPs' participation in the decision making at all sub-project cycle, including RP planning and implementation. During the process of preparing RP, discussion will be held with the affected families, institutions and the representatives of the directly affected VDCs. The DTO shall make available the following documents to DPs and disclose to the public:

- (i) A draft RP, before subproject appraisal;
- (ii) A final RP, after completion of such RP; and
- (iii) The revised RP, following the Detailed Technical Design (which includes the updated Census, Inventory of Losses [IOL] and SES) or change in Scope of the subproject.

54. Copies of the RPs will be placed at VDC offices accessible to the public. A summary of relevant information from the documents specified above (losses, valuations, entitlements, assistance, grievance procedures, timing of payments and displacement schedule etc.) will be made available to DPs as leaflets in local languages. DTO/PCU shall also post the above documents on EA's website. During implementation, DTO will prepare resettlement monitoring reports, make them available to affected DPs and post them on EA's website, and submit these to ADB for review and posting on ADB website.

55. Each RP will be disclosed by EA/implementing agency (IA) to the public before submitting them to ADB. ADB will post these documents on ADB's safeguards web site. The RF and RPs will also be publicly available at both central and district level project offices. Further, summary RPs in Nepali language will be made available to VDC and, public offices in the subproject sites.

## **V. COMPENSATION, INCOME RESTORATION, AND RELOCATION**

### **A. Arrangements for Housing Relocation, including Transfer and Establishment**

56. The entitlement unit for assistance is the HH or family. Loss of housing can be particularly traumatic. Project design will make every effort to ensure that replacement housing is available before people are required to relocate. Affected HHs will be allowed to retain salvaged materials and be assisted to transport them to the new site, either by the provision of transport or by a contribution to the cost of their transport. Payment will be made before transfer. The construction group leaders or local officials will also help a person relocate, helping with house rebuilding or buying a new house.

57. This will speed up the process and leave the re-settler in no worse position than he was before. The relocation options for the Project are:

- (i) No relocation in which case compensation is paid only for lost assets;
- (ii) On site relocation in which case compensation is paid for lost assets and a Relocation Allowance to smooth the difficulties of rebuilding;
- (iii) Self-relocation to other areas to live near relatives or for other reasons, compensation will be paid for lost assets, a Relocation Allowance and a Subsistence Allowance be paid to facilitate income re-establishment. A Transport Allowance is paid for help to move building materials;
- (iv) There is no requirement for resettlement sites to be set up by the EA;
- (v) The overwhelming majority of potential affected families will relocate within the same plot. It is important that new housing is constructed before the old is demolished, as far as is practicable, given the need to reuse salvageable construction materials; and
- (vi) In general, house-owners wish to relocate their houses near to roads with adequate access. On road subprojects, this may require provision of slabs to cross the drains and sometimes some small works to provide steps. Relocation of houses should bear in mind the likelihood of road widening in the future and therefore leave sufficient room for this and for ensuring a safe space for pedestrians along the road.

58. Consultation will be carried out with DPs in terms of the choice of their relocation options. For affected HHs having to relocate their residential and commercial structure, the Project will assist in identifying new locations that minimize social disruption and have access to services and facilities similar to those available in the affected lands. Though it's unlikely that expected low impacts will require this, affected HHs can also opt for resettlement sites and the Project will carry out necessary consultation with the affected HHs in site selection, consultation with host population, necessary environmental assessment and provision of sufficient civic infrastructure prior to relocation.

## **B. Income Restoration**

59. The basic objective of income restoration activities is to ensure that each AP will at least have the same or improved income and livelihood after the subproject. Income restoration is an important part of resettlement and relocation and DPs that have lost both house and income sources and are most at risk of impoverishment, and vulnerability. DPs who lose their income sources (e.g. land, employment, business) and are at risk of impoverishment will be assisted through income restoration programs under the project. The income restoration program includes employment in construction work, preference as a maintenance worker, and life skill training and facilitation to establish linkages with financial institutions available in the district.

60. The project strategy for income restoration is to establish a link between the improved access to goods, services and facilities, and income generated by the employment and skills acquired from the training provided to DPs. An income uplifting micro-plan for each subproject will be prepared to mobilize savings from the employment for the use of new sets of skills acquired by life skill training and the enhanced capacity of DPs. The plan would examine long term local employment opportunities and options for external resources, if required. Suitable mechanisms would be identified for a business expansion plan to link with available or expected financial institutions in the local area.

61. All DPs would be eligible for income restoration options to restore AP's income immediately before and after relocation, and providing short term allowances such as subsistence/disruption allowances, rental stipend and shifting allowances. However, priority will be given to vulnerable DPs if limited training seats are available due to budget constraints. DPs will be given priority for employment in sub-project construction. The contract documents will include provisions regarding preferential employment in unskilled labor. The sub-project will provide at least 90 days of unskilled work to the extent possible to one adult from each affected family to enable them to earn sufficient cash to restore their income. Preference will be given to DPs for employment expected to be generated by the maintenance component of the project. Safeguards will be put in place to ensure that there is no employment of children on the project. The social mobilizer will also monitor incidence of child labor.

62. The DPO will also implement a savings scheme in collaboration with the group leaders for their laborers. The project benefits for DPs will be maximized through their inclusion in the Project's savings scheme. The project encourages laborers to save 20% of their earnings compulsorily. The scheme is set up by the social mobilizers. Achieving regular savings will help the poorest learn to save, to manage these savings and create a small lump sum that could be used to improve their living conditions or to invest in productive assets. Having some savings will enable these HHs to respond to and participate in other development activities and increase the poverty alleviation impact of the project.

63. Based on the lessons from the training conducted by DRILP and similar infrastructure projects in the districts, the Project will organize only those trainings which will have a skill test and are certified by Nepal Skill Testing Board (NSTB). The NSTB has now standardized courses in 243 different trades. NSTB has five different levels of skill courses. However, the Project training will be confined to Level 1 only which has 390 hours credit with 2 months training and 1 month on the job training.

64. The DPO will be responsible for planning, managing and implementing training. The National NGO (NNGO) and CISC will be responsible to assist the DPO for the training needs assessment, monitoring, and liaison with district line agencies, DDC/DTO and training providers, and selection of training providers with assistance from the social mobilizer in the district. Key

steps to be undertaken in livelihood skill training of DPs and beneficiaries, and responsibilities of agencies involved would be as follows:

- (i) Identification of affected, beneficiary HHs through socio-economic survey will be undertaken by the DPO assisted by the DISC.
- (ii) Identification of potential trainees with analysis of established eligibility criteria such as age, literacy, existing skill set, family occupation and principle earning sources etc. is the responsibility of the assigned social mobilizer from DISC.
- (iii) A training needs assessment would be undertaken by the NNGO with the help of the social mobilizer in the DISC.
- (iv) Finalization of the list of training, budget and name list of trainees will be undertaken by the NNGO together with Safeguards advisor of CISC in consultation with the DPO and trainees. The expert will prepare a cluster level training implantation plan along with implementation strategy proposal. The training implantation plan includes modality of training implementation, terms of reference for training providers and Expression of Interest/Request for Proposal, if needed.
- (v) Hiring of training providers by DPO will depend on the type of skill training required (as identified through the needs assessment survey) but training providers should be able to come to the trainees, rather than require trainers to travel and stay away from the village (which is a major barrier to participation, particularly for women).
- (vi) Internal monitoring of training and submission of progress reports will be by the CISC, DPO and NNGO.
- (vii) Special support will be provided to each trainee to establish links with financial institutions to purchase equipment or material to start their enterprise through the social mobilization program.
- (viii) Post-training impact assessment is proposed to be conducted by an independent agency, a year after training implementation. The HH asset base and socio-economic status would be compared with the pre-project scenario. Baseline indicators would be developed during training implementation planning/resettlement planning.

## **VI. GRIEVANCE REDRESS MECHANISM**

65. The DPs have formal recourse to the CDO and Ministry of Home Affairs in case of grievance under regulation specified under the Land Acquisition Act 2034 (1977). Further the Project has set a GRC at the district and Grievance Redress sub-committee at VDC to hear complaints. The GRC 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 BG member), representative from VDC, village elders or local level representatives of mass organizations or other relevant agencies, Project manager, or social mobilization coordinator.

66. The DPs 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, DPs, and other concerned parties to agree on a time-bound action plan to resolve the grievance if found to be genuine.

67. 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 would have its sub-committee in each VDC

comprising five members, including DPs, to hear complaints and grievances at the VDC level. The Committee comprises three members from VWRCC and two representatives from among the DPs.

## **VII. INSTITUTIONAL ARRANGEMENTS**

68. The DOLIDAR is the EA for the project and DDCs will be the IAs, working through their DTO. The Ministry of Local Development (MLD) will therefore be responsible for policy formulation, and DOLIDAR will be accountable for the programming and implementation of acquisition, compensation and rehabilitation measures in compliance with ADB requirements.

69. The PCU established in DOLIDAR for the project will be responsible for overall program implementation, monitoring and supervision. The PCU will have a safeguards desk with a dedicated focal person appointed by DOLIDAR. The safeguard focal person will (i) supervise day-to-day project implementation, (ii) review Project progress, and (iii) coordinate between DOLIDAR and the DDCs for resettlement planning, implementation and reporting. Officers from the Department of Land Surveys and Land Revenue will be seconded to work on the Project land acquisition process as and when required.

70. DDCs will coordinate all district subproject activities. The DDC will be responsible for local policy coordination and delegate implementation responsibility to DTO. The DTO will have a social and resettlement desk in each district headed by social planning officer of the DDC. DDC will assign a social mobilizer for the day to coordination and establish institutional linkage. The DTO will be responsible for subproject resettlement planning, implementation, monitoring and supervision. The DTO will liaise with district survey and land administration officer for the secondment of staff to facilitate land administration activity. DPO will ensure that the Project's RF is followed in preparation of subproject RPs with appropriate entitlements and mitigation measures in the RPs.

71. At the village level, a VWRCC will also be established, with representatives from the DPs, political parties, intellectuals, vulnerable groups, disadvantaged groups, the business community and local NGOs. VWRCC will assist the DPs in informing people about the likely resettlement impacts and solicit the views of the DPs regarding compensation and relocation options.

### **A. Capacity Building of Project Agencies**

72. Based on the capacity assessment, additional resources are identified and earmarked for PCU and DPOs to effectively plan and implement resettlement aspects. At central/PCU level, such resources include inputs of a social safeguards specialist (30 person months: Initial 18 months regular input and intermittent for remaining period) will support PCU in overall resettlement planning, liaison with districts, review, supervision and monitoring and two resettlement officers (66 person months: one officer will have regular input and one will have intermittent input) will responsible for RP preparation, assist DISC on resettlement survey, planning and implementation and provide necessary support to resettlement specialist; vocational training expert (36 person months: spread over five year project period) is responsible for overall training planning, implementation and supervision provided for beneficiaries of the project under CISC.

73. At district level, each DPO will have a Social Mobilization Coordinator (48 person months) and one social mobilizer dedicated to resettlement planning and income restoration measure (48 person months) under DISC. The social mobilization coordinator support resettlement officer

in RP preparation and overall district level coordination on resettlement activities, social mobilizer will be responsible for resettlement survey, social mobilization, compensation payment and training need assessment and training implementation facilitation. The DISC will also liaise with DPO and the contractor to assist the displaced persons, especially women and other vulnerable persons to obtain jobs in construction during the construction period. Further, RP will identify any resource required (e.g. NGOs, training providers) for its implementation at each sub-project.<sup>3</sup>

74. The PCU/DPO staff will be trained on resettlement planning and implementation. While field level technical activities will be carried out by the DISC, the DPO staff will have to supervise their activities, ensure quality, and coordinate with stakeholders. A similar training will be provided to the PCU staff. Social Development/Resettlement Specialist under CISC will be responsible to design and implement the training at the beginning of the Project.

#### **B. District Level Resettlement Coordination Committee**

75. The DDC will form district level resettlement coordination committee to coordinate a smooth implementation of the land acquisition and compensation process and associated mitigation measures. The district level resettlement coordination committee will be established under the chairmanship of DDC head; other members of the committee will be the representatives of affected families (including vulnerable group member), representative from VDC, land revenue office, survey office, forest office, agriculture office, Project manager, or social mobilization coordinator. The committee will meet each month to discuss on resettlement activity and progress review until completion of compensation payment and deed transfer.

#### **C. Compensation Determination Committees**

76. The Land Acquisition Act 2034 provides for the establishment of committees to decide compensation levels at District level. These are composed of the CDO, the LRO, a representative of the DDC and the Project Manager responsible for implementation of the Project in the district. Therefore, the relevant VDC chairmen or representative(s) from the VWRCCs, DPs and the Social Mobilizer will be invited in CDC meeting as observer to ensure that decisions are transparent and fair. The CDC will accept the replacement cost principle for the valuation of affected assets.

### **VIII. BUDGET AND FINANCING**

77. All costs related to land acquisition, compensation, relocation, and livelihood rehabilitation will be an integral part of project costs and will be administered according to the Land Acquisition Act, 1977. Table 4 presents the indicative cost for resettlement and rehabilitation for the project estimated based on core subproject assessment and indicated in RPs of indicative subprojects to be implemented by the Project. The resettlement and rehabilitation cost includes (i) compensation for acquired assets; (ii) costs associated with rehabilitation measures; and (iii) administrative costs for RP implementation and capacity building of the project agencies.

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<sup>3</sup> All consultants will be national experts.

**Table 4: Estimated Costs for Resettlement**

Components	US\$ Million
Costs of Rehabilitation Support	0.054
Income Generation and Life Skills	0.280
Community Support Costs	0.137
Land Acquisition and Compensation	0.903
<b>Subtotal</b>	<b>1.374</b>
Contingency 20%	0.275
<b>Total</b>	<b>1.649</b>

78. Out of total cost required for resettlement and rehabilitation, compensation payment for affected assets which is 65% of total estimation, will be borne by the government and remaining 35% cost associated with livelihood restoration and assistances will be cover by ADB funding. The Ministry of Finance (MOF) shall ensure that the approved annual budget allocations for the Project shall be sufficient to cover all required counterpart funding, including, but not limited to: (a) resettlement related payments; and (b) land surveys and cadastral mapping. The MLD will delegate budget authority to DTO through DDC. The subproject resettlement fund will rest with the DTO. Based on the valuation made by CDC, the DTO will deposit the required funds with the CDC, which will make the payments to the DPs.

## IX. IMPLEMENTATION SCHEDULE

79. The RPs for all subprojects under the project will be implemented from 2012 through 2016. All land acquisition and resettlement of DPs is to be completed before the commencement of civil works. However, social preparation initiatives including income restoration measures and deed transfer may continue and be completed even after civil works has begun. Subproject RPs will include a time-bound action plan to complete the resettlement activities tailored to subproject construction schedule. The key indicative list of activities in the subproject cycle is summarized in the Table 5.

**Table 5: Resettlement Assessment and Planning in Subproject Cycle**

Project Stage		Task	Responsible Agencies	Time Frame
		Dissemination of project information	DPO	Since project beginning
<b>Subproject Selection stage</b>		Selection of subproject	DPO	
<b>Project Planning and Design Stage</b>	<b>Resettlement Plan Preparation Stage</b>	Dissemination of project information to affected communities and meeting in community level	DPO/DISC	After approval of subproject
		Finalization of alignment and/or ROW (Preliminary Assessment/ Walk Thru Survey); IPSA and	DPO/DISC	First two weeks of design stage

Project Stage		Task	Responsible Agencies	Time Frame	
		subproject categorization			
		Establish cutoff date	DPO/DISC	During IOL census	
		Loss assessment survey: Cadastral mapping, HH listing etc. as part of SIA	DPO/DISC	Second two weeks	
		Census and socio-economic survey for RP	DPO/DISC	Fifth and sixth weeks	
		Consultation with DPs, identification of severely affected and vulnerable DPs	DPO/DISC	Seventh week	
		Prepare Draft RP, including summary in Nepali	DPO/DISC	Eighth & ninth weeks	
		Verification of DPs, entitlement, and any voluntary donation criteria and procedures	DPO/DISC	10th and 11th weeks	
		Preparation of agreement with DPs for any voluntary donation	DPO/DISC	12th week of design stage	
		Community workshop to finalize RP	DPO/DISC	13th week	
		Submission of RP for ADB's approval with endorsement from DIU and PCU	DPO	14th week	
<b>Planning and Design Stage</b>	<b>RP Implementation</b>	Distribution of assistance/compensation	DPO	1st month of implementation	
		Resettlement activities verification	PCU	Before contract award	
		Enrolment into livelihood restoration scheme	DPO	2nd month	
Ownership transfer of acquired land		DPO	2nd month		
Monitoring DPs employment and income generation		DPO	Construction		
Redressal of grievances		DPO/GRC	Throughout the project cycle		
<b>Construction Stage</b>			Monitoring progress	Internal: PCU/CISC	Ongoing
<b>Post Construction</b>		Monitoring progress	Internal: PCU/CISC	Ongoing	

Project Stage		Task	Responsible Agencies	Time Frame
			External: Consultant/NGO	

AP = affected people; CISC = central implementation support consultant; DISC = district implementation support consultant; DPO = District Project Office; GRC = Grievance Redress Committee; HH = household; IPSA = Initial Poverty and Social Analysis; NGO = nongovernment organization; PCU = Project Coordination Unit; ROW = right-of-way; RP = resettlement plan; SIA = Social Impact Assessment.

## **X. MONITORING AND REPORTING**

80. The project monitoring system is two-tier. The first level is for internal monitoring at the EA level and requires an appropriate management and supervision system. The second tier is for external monitoring by an independent agency. The external agency conducts independent monitoring and evaluation to review and verify progress, highlight delays in meeting targets and recommend corrective measures.

81. The PCU will establish a trimester monitoring system and prepare progress reports on all aspects of land acquisition and resettlement activities. Regular Trimester reports submitted by PCU, to ADB will also include detail progress on resettlement planning and RP implementation. The activities will be monitored internally by PCU, and evaluated externally through an independently appointed agency or specialist to provide feedback to management on implementation and to identify problems and successes as early as possible. A set of monitoring indicators and terms of reference for the external evaluation agency will be developed and included in the RP. The independent monitoring agency/monitoring expert will submit its report directly to ADB with a copy to EAs. The PCU will submit Semi-annual monitoring report to ADB.

### **A. Monitoring Requirements**

82. The project needs to monitor and evaluate the resettlement and compensation process in order to ascertain that the procedures prescribed have been followed and that DPs are at least no worse off than they were without the project. A monitoring and evaluation program will be required to assess that the procedures were followed, that compensation was assessed and disbursed according to the entitlement matrix, that affected people have been able to restore their income and that mechanisms are in place through the social mobilizers, for promoting involvement of local people in other development initiatives.

#### **1. Internal Monitoring**

83. The IA will provide regular reports to PCU on progress in resettlement preparation and implementation through regular progress reports, based on defined indicators, combined with periodic supervision and verification. The Resettlement Consultant at District level is responsible for monitoring resettlement activities and for managing the entitlement and compensation database. The social mobilizer will form AP committees at field level to participate in the monitoring process and ensure that women and occupational caste groups are represented and heard.

84. The PCU Social Safeguards Specialist will design and implement a subproject resettlement monitoring system and monitor all sub-project resettlement activities and progress. The Social Safeguards Specialist will verify progress reports and check the general delivery of:

- (i) Payment of compensation and timing;
- (ii) Land readjustment;
- (iii) Preparation and adequacy of resettlement sites;
- (iv) House construction;
- (v) Provision of employment and adequacy of income levels;
- (vi) Training;
- (vii) Rehabilitation of vulnerable groups;
- (viii) Infrastructure repair, relocation or replacement;
- (ix) Enterprise relocation, compensation and its adequacy; and
- (x) Transition allowances.

85. The project's internal monitoring and evaluation mechanism to monitor the resettlement and compensation process in order to ascertain that the procedures prescribed have been followed and, as indicated above, that DPs are at least no worse off than they were without the project. The verification of resettlement activities will be done before the ADB will permit DOLIDAR and DDC to sign contracts with the building groups and contractors and to commence work. This checks that assess that the procedures were followed, that compensation was assessed and disbursed according to the entitlement matrix. This is the responsibility of CISC social safeguards specialist. This requires additional surveys of around 10% of all DPs to check compliance and a verification report issued to the DDC/ DOLIDAR and then to the ADB.

86. Ongoing monitoring of land acquisition, compensation and resettlement will occur as a standard activity of the sub-project DTO Engineers. During project implementation, the DTO will establish a monthly monitoring system involving the DPO, DISC and implementing staff, and will prepare progress reports on all aspects of land acquisition, compensation and resettlement activities and operations. The monthly reports will reflect the progress in RP implementation with particular attention to compensation payments, consultation, participation of DPs in RP implementation, and grievance resolution. They will submit trimester progress reports to the DRILP Program Coordinator, indicating number of displaced persons, compensation affected, grievances and problems, and corrective measures implemented or required.

87. The DTO Engineer will attend VWRCC/BG meetings as and when required. S/he will record and monitor local reactions, concerns and grievances for discussion with the DPO Engineer in charge. The VWRCC and social mobilisation coordinator will play an important monitoring role by providing feedback on community concerns, grievances and requests.

88. The DTO will submit a trimester report to ADB on progress of RP implementation. The implementation support consultants (CISC/DISC) will monitor the implementation progress and advise DTO on the timely implementation of the RP and submission of a trimester report to ADB through PCU.

#### a. Detailed Monitoring and Evaluation Indicators

89. The following table provides some indicative monitoring and evaluation indicators of resettlement activities.

**Table 6: Monitoring and Evaluation Indicators**

Type	Indicator	Examples of Variables
Process Indicator	Staffing	Number of DOLIDAR staff on DRILP, for sub-project Number of other line agency officials available for tasks Number of social mobilization coordinators located in the field

Type	Indicator	Examples of Variables
	Consultation	Number of BGs contacted or established and meetings held Grievances by type and resolution Number of field visits by DOLIDAR/project staff and social mobilisation coordinators
	Procedures in Operation	Census and asset verification/quantification procedures in place Effectiveness of compensation delivery system Number of land transfers (owner to GON) effected Coordination between DTO and other line agencies
Output Indicators; data disaggregated by sex of owner/ head of HH	Acquisition of Land	Area of cultivation land acquired by road section and contract Area of other private land acquired Area of communal/government land acquired Area of the land donated Area of the land compensated
	Trees and Crops	Number and type of private trees acquired Number and type of government/community trees acquired Crops destroyed by area, type and number of owners
	Compensation and Rehabilitation	Number of HHs affected (land, buildings, trees, crops) Number of owners assisted by type of loss Amount compensated by type and owner Number and amount of allowances paid Number of replacement houses constructed by concerned owners/contractor Number of replacement businesses constructed by concerned owners Number of owners requesting assistance with purchasing of replacement land Number of replacement land purchases effected Livelihood restoration cost
Impact Indicator – data disaggregated by sex of owner/ head of HH	HH Earning Capacity	Employment status of economically active members Landholding size, area cultivated and production volume, by crop Selling of cultivation land Changes to livestock ownership – pre- and post disturbance Changes to income-earning activities (agriculture) – pre- and post disturbance Changes to income-earning activities (off-farm) – pre- and post disturbance Amount and balance of income and expenditure

BG = building group; DOLIDAR = Department of Local Infrastructure Development and Agricultural Roads; DRILP = Decentralized Rural Infrastructure and Livelihood Project; DTO = District Technical Office; GON = Government of Nepal; HH = household.

## 2. External Monitoring

90. External monitoring will be conducted to assess the RP implementation and its impacts, verify internal monitoring and suggest adjustment of delivery mechanisms and procedures. Additional monitoring surveys of a sample of affected HHs will be undertaken as a part of this activity. The socio-economic baseline surveys conducted during resettlement planning will be a part of this monitoring activity. This activity will be undertaken by an external independent agency trained in monitoring and evaluation and familiar with resettlement aspect of the infrastructure development, which will provide feedback on RP implementation to both EA/IA and ADB. The external monitoring agency will be hired by PCU with ADB concurrence.

## SAMPLE VOLUNTARY CONTRIBUTION CONSENT FORM

Government of Nepal,  
Land Revenue Office,  
[INSERT NAME] District  
[INSERT NAME] Village

### CERTIFICATE OF LAND TRANSFER

I, [INSERT NAME, AGE, OCCUPATION], with residence located in [INSERT NAME] village, [INSERT NAME] district

Certify that I have been previously informed by local authority of my right to entitle compensation for any loss of property (house, land and trees) that might be caused by the construction of ([INSERT NAME]) financed under the Second Rural Infrastructure and Income Uplifting Project in [INSERT NAME] district. I confirm that I voluntarily donate the land of [INSERT AMOUNT LOSS] square meters located in [INSERT NAME] village ([INSERT NAME] district) to the Project construction. I also confirm that I do not request any compensation of loss of [INSERT OTHER LOSSES SUCH AS TREES] and would request the local authority to consider this as my contribution to the project.

Type of Loss	Area (sqm)	Number of Trees	Unit Rates	Total	Comment
Land					
Total					

Therefore, I prepare and sign this certificate for the proof of my decision. Further, I certify that I have given my consent without any force/coercion from anybody, including project authorities.

[INSERT NAME] district  
[INSERT DATE]  
The owner of the land

[INSERT NAME AND SIGN]

Witnesses:

1. [INSERT NAME]
2. [INSERT NAME]
3. [INSERT NAME]

Certified by the [INSERT NAME OF INDEPENDENT THIRD PARTY], [NAME AND SIGN]

This form will be translated in Nepalese Language for implementation purpose