

Social Monitoring Report

Project Number: 38492
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IND: Power Grid Transmission (Sector) Project in India

Prepared by

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For

Executing Agency

Power Grid Corporation of India Limited

The short resettlement plan is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

पावर ग्रिड कारपोरेशन ऑफ इंडिया लिमिटेड

(भारत सरकार का उद्यम)

POWER GRID CORPORATION OF INDIA LIMITED

(A Government of India Enterprise)



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Date: 18th May, 2012

INRM

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Sub: **Loan No. 2152-IND: Power Grid Transmission (Sector) Project:**
Consolidated report on implementation of RAP at Arasur & Pugalur
substations under Grid Strengthening for Tamil Nadu-II and
Pondicherry substation under Grid Strengthening for Tamil Nadu &
Andhra Pradesh and UT of Pondicherry.

Dear Sir,

Please find attached herewith consolidated report on implementation of RAP at Arasur, Pugalur and Pondicherry substations under above subject loan.

Thanking you,

Yours faithfully,

(A. K. Singhal)

Addl. General Manager (CP)

Attach.: As above.

Copy to:

Mr. K. V. Rao

Team Leader, Energy

Asian Development Bank,

4, San Martin Marg, Chanakyapuri,

New Delhi - 110 051.



**CONSOLIDATED REPORT ON IMPLEMENTATION
OF RAP AT ARASUR, PUGALUR AND
PONDICHERRY SUBSTATIONS**

For

POWER GRID CORPORATION OF INDIA LTD.

**TV Ramanayya
Vishnuprasad Nagadevara**



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EXECUTIVE SUMMARY

Power Grid Corporation of India Ltd. has implemented three no's of 400/220kV substations at Arasur, Pugalur and Pondicherry as a part of the southern regional grid strengthening. The present Grid Strengthening Scheme has been proposed to disperse power available from Neyveli generation complex with security and reliability to its beneficiaries.

In order to implement the project, POWERGRID has acquired lands for the three substations, which in turn has affected different numbers of persons in the three locations. POWERGRID has paid the land compensation amount as per the LA Act, 1984, and provided rehabilitation assistance for income generation as per the socio-economic study and the RAP.

The main objectives of the present study is to review and verify the progress in resettlement implementation as outlined in the RAP; to assess whether the resettlement objectives, particularly livelihoods and living standards of the affected persons have been restored or enhanced; and to assess resettlement efficiency, effectiveness, impact and sustainability, drawing both on policies and practices and to suggest any corrective measures, if necessary.

The study used a variety of means to collect the information, including focused group discussions and case studies. A group discussion was conducted to elicit information regarding the benefits received from the public utilities and community assets created by POWERGRID.

Findings of the study

- i) All the persons who lost their land in the project and eligible for compensation have received their land compensation as well as the rehabilitation assistance for income generation. The programmes were accomplished without any pilferage.
- ii) Most of the PAP's have spent their rehabilitation assistance productively, mostly in income generating activities. They have invested their assistance in power looms, livestock development, which was a traditional practice in the area.

- iii) The PAP's have informed that they are satisfied with the assistance provided by POWERGRID under RAP.
- iv) Some of them reported that they have purchased land using the compensation amount and the rehabilitation assistance.
- v) Cultivation as an occupation has increased; some have taken up other occupations using the rehabilitation assistance. Consequently, the percentage of wage labour has dropped.
- vi) An increase of occupation in business has occurred along with persons in service.
- vii) Positive impacts are noticed in the housing conditions of the PAPs and most of them are living in pucca houses.
- viii) Some of the PAPs have reported that they had used the compensation and rehabilitation assistance to reduce their indebtedness.
- ix) The present study shows that the overall living standard of PAPs has actually improved.

Chapter 1

Introduction

POWERGRID has acquired lands for setting up 400/220 kV substations at Arasur, Pugalur and Pondicherry. As per the norms, POWERGRID has formulated Rehabilitation Action Plans (RAP) for the project affected families. In addition, POWERGRID has also included certain welfare schemes for the benefit of the entire community in the villages where the land was acquired.

a. Site Selection:

POWERGRID selects a suitable substation site after studying the different alternatives keeping in mind the three basic principles i.e. Avoidance, Minimization and Mitigation. On the basis of data collected for the various parameters a comprehensive analysis for each alternative site would be carried out by a team comprising of representatives from RHQ, Substation Engineering, Transmission Line Engineering, ESMD and site. The weightage given to the various parameters are often site specific. Due consideration is given to infrastructure facilities such as access roads, rail heads etc.; availability of corridor for Incoming and outgoing lines; soil type; type of land viz. Govt., revenue, private land, agricultural land; social impacts such as no. of families getting affected; and cost of compensation and extent of rehabilitation. For Arasur, Pugalur and Pondicherry also such studies were carried out after exploring different options.

In order to ensure effective Implementation of the RAP, POWERGRID had engaged Indian Institute of Management Bangalore to monitor the implementation process at these three substations. The scope and terms of reference of the monitoring and evaluation are as below:

b. Scope of Work:

i. General

- Review and verify the progress in resettlement implementation as outlined in the RAP.
- To assess, resettlement objectives particularly the livelihood, living standards of the affected persons (APs) have been restored or enhanced after the land acquisition and rehabilitation activities.
- To assess the resettlement efficiency, effectiveness, impact and sustainability, drawing both on policies and practices and to suggest any corrective measures if necessary.

ii) Specific

An independent monitoring agency will be involved in monitoring the ongoing resettlement efforts by the Executing Agency. The major tasks expected from the external monitoring agency are:

- 1) Review results of internal monitoring and verify claims through random checking at the field level to assess whether land acquisition/resettlement objectives have been generally met. Involve the effected people and community groups in assessing the impact of land acquisition for monitoring and evaluation purposes.
- 2) Identify the strengths and weaknesses of the land acquisition / resettlement objectives and approaches, implementation strategies.
- 3) To review and verify the progress in land acquisition/resettlement implementation of subprojects on a sample basis and prepare bi-annual reports for POWERGRID and ADB.

The study team visited each of the three (03No's) substations to review the resettlement efforts by POWERGRID as well as implementation of the RAP. This final report consolidates the observations of each of the visits. The overall goal of the present study is to conduct an

Impact assessment of the project affected persons / families in order to follow and evaluate their livelihood restoration.

- The objectives of this study are to assess the resettlement objectives particularly livelihood, living standards of the affected persons (APs) have been restored or enhanced after the land acquisition and rehabilitation activities and
- To assess the resettlement efficiency, effectiveness, Impact and sustainability, drawing both on policies and practices and to suggest any corrective measures if necessary.
- The study has covered PAF's who have received the benefits of rehabilitation assistance for traditional and non-traditional income generation activities. The study has also assessed the extent to which the project has been successful in compensating, resettling and rehabilitating the project affected persons.

This report includes the observations of the study team with respect to the progress of land acquisition, payment of compensation and implementation of RAP as well as implementation of community development schemes.

iii) Aims and Methodology:

Background: Project Implementation

POWERGRID has implemented 400/220kV substations with an objective to make better use of existing generating capacity in the southern region. POWERGRID has acquired the following extent of land for the substations.

- i. Arasur : 36 acres
- ii. Pugalur : 38 acres
- iii. Pondicherry : 25 acres

The POWERGRID R&R policy:

The POWERGRID's policy on Resettlement and Rehabilitation (R&R) is to provide "people, who are displaced or otherwise affected by the projects, means to improve or at least restore their former living standards, earning capacity and production levels", through a process in which they participate via their own social and cultural institutions. Therefore,

the process of Resettlement and Rehabilitation of the displaced is developed and participatory oriented with an emphasis on the need to “ensure that the development fosters full respect for their dignity, human rights and cultural uniqueness”.

Socio-Economic Survey:

In order to assess the magnitude of the losses, POWERGRID has carried out a Socio-economic Survey and developed a Rehabilitation Action Plan (RAP) for affected persons listing various measures for the restoration of their livelihood and losses. These are being implemented during the project execution at site. In order to assess the effectiveness of the RAP, it is proposed to carry out an evaluation assessment study of the RAP Implementation. The Rehabilitation Action Plan consisting of the provisions of an Income Generation Scheme (IGS) to generate cash, as well as community development measures. The Income Generation Scheme varies according to the extent of land lost in the project. Along with individual income generating schemes, community development program are also put in place in the affected site to provide community level benefits to the affected villages.

Sampling and Data Collection:

Various means were adopted to collect the information, including focus group discussions, case studies and interviews with the PAPs and the officials. Whenever appropriate, secondary data was collected from POWERGRID'S project files and reports, such as the Socio-Economic Survey and the Rehabilitation Action Plan report and progress report on execution of the RAP. The focus group discussions and individual interviews concentrated on the changes in economic activity, incomes and other social conditions of individual households.

The socio-economic study and RAP of proposed sub-stations contained baseline information on the above-mentioned indicators which are compared with the current situation. Some indicators such as electricity, sanitation, kitchen, health care, and expenditure on food and non-food commodities, before and after land acquisition, were taken on recall basis, in the absence of any baseline data. The standard of living of the vulnerable groups and PAF's of widows and widowers were studied in subgroup discussion meetings.

The group interviews and discussions were conducted to elicit information regarding the benefits received from the public utilities and community assets that were created under the project. The purpose was to assess the accessibility of the common utilities by affected population and find out the wider socio-economic changes in the area as a whole. The information was collected through focused group discussions and interviews. The perceptions regarding the changes were obtained.

Data on the amount of rehabilitation assistance received by PAFs were obtained from the Socio-Economic Survey and RAP report. For detailed information, the type of Income generation under rehabilitation assistance opted during the time of RAP, as well as changes occurred, were ascertained from the PAFs.

Chapter 2

Implementation of the Rehabilitation Action Plan

2.0 Introduction:

2.1 Income and livelihood restoration:

The Income and livelihood restoration is a challenging task with regard to the development induced project affected persons. The strategies and opportunities to restore incomes are the essential elements for a good income restoration programme. Concerns for such efforts through economic measures have assumed an important role in rehabilitating the project affected persons.

Several empirical studies found that compensation alone did not help to ensure the income streams and living standards of the project affected persons. Land for land is a better option than cash compensation for retaining productivity of the affected persons. But land is not easily available and a difficult task for the project authorities to ensure for the project affected persons. Hence, cash-based income generation schemes in the form of Rehabilitation Assistance and Community Development Programmes have out of necessity been tried to recreate and sometimes improve lost productive system and livelihood.

2.2 The Rehabilitation and Resettlement policy of POWERGRID

POWERGRID has articulated a social entitlement framework in its corporate policy-Environmental and Social Policy & procedure (ESPP) applicable for the affected families due to the acquisition of land/assets for the substation. Its prime concern is to rehabilitate and resettle people affected by the process of land acquisition. In order to avoid hardships to PAPs and their families, it tries to provide land for land as far as possible, assistance for adoption of Income Generation Scheme and training instead of cash assistance because it

has been experienced that cash compensation does not fully achieve the objectives of rehabilitation.

As per the policy document, the Socio-Economic Studies and Rehabilitation Action Plans of the PAPs were prepared and were implemented by the Powergrid Corporation of India. POWERGRID also conducts progress review, regularly; of the RAP to assess its own physical and social achievement. The present study is about

- ✓ Compensation received for the land by the PAF's.
- ✓ PAP's who received rehabilitation assistance for the Income Generation Schemes.
- ✓ Community development works.

POWERGRID in their ESPP has earmarked grant towards Rehabilitation Assistance for adopting Income Generation Schemes and land development. The amount for each PAP has been allotted depending on the magnitude of land loss, left over land, family size and caste composition and loss of income determined by the Socio-Economic study.

2.3 Arasur Substation:

Arasur sub-station is constructed as a part of Southern Regional Grid strengthening. The present grid strengthening scheme has been proposed to disperse power available from Neyveli generation complex with security and reliability to its beneficiaries. With this In consideration, new transmission corridor has been proposed in Tamil Nadu, where power from Neyveli generation complex shall be available. The main objective of the project is to improve reliability through strengthening of grid for smooth operation of southern region grid particularly of Tamil Nadu. Towards this, establishment of new 400/220 kV substation have been envisaged at Arasur which shall be integrated with the main transmission network for receiving power. The Arasur Sub-Station is associated with Grid Strengthening for Tamil Nadu - II to Integrate Arasur with main regional transmission network and thereby to national grid.

Project Highlights:

a.	Project Name	Grid Strengthening for Tamil Nadu - II of Southern Region Grid.
b.	Location	Tamil Nadu
c.	Beneficiary States	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry
d.	Project Cost	Rs.302 crores

The Land selected and acquired for the sub-station along with colony is a total of 14.76 Hectares (36.45 acres). The Sub-Station is located in Karumathampatti village, near Arasur on the Coimbatore – Salem stretch of National Highway (NH-47) about 30 km from Coimbatore city in Suler taluk of Coimbatore district.

The site selection committee after visiting and studying different alternative sites selected the present site. Accordingly in the absence of government land a private land measuring 14.76 Hectares was selected for acquisition. The selected site involved minimum social impact and lesser no. of families and no displacement of people.



Land before construction of Substation

2.3.1 Process of Implementation of RAP

The rehabilitation action plan for the substation was prepared after assessment of the socio economic condition of the project affected persons. A Grievance Redressal Committee was formed to address the grievances of the PAF's with the following members:

1. Shri P. Murugesh, Revenue Divisional Officer, Tiruppur, Chairman GRC
2. Shri S. B. Krishnamurthy, Chief Manager, POWERGRID, Arasur SS.
3. Shri S. Kamal Tanga Pandian, J. E., POWERGRID, Arasur SS.
4. Shri R. Nandagopal, Councilor, Elachipalayam.

5. Shri G. Subramaniam, PAP

6. Shri Tangavelu, PAP

Out of the total affected persons in this substation, land compensation is paid to everyone except 11 survey no's. The status of these 11 survey no's is pending with the Tirupur city court owing to ownership issues. However the land compensation of 11 survey numbers has been deposited in the court by the District Administration. Out of total estimated RA/IGS amount of Rs. 19,18,324 for 87 project affected families, an amount of Rs.17,96,324 has been distributed to the undisputed affected families. The RA shall be paid as recommended to the eligible land owners in the 11 survey numbers, upon payment of land compensation by the court. POWERGRID is pursuing the matter with the court for early dispersal of the land compensation amount.

The PAF's in the village seemed to derive maximum benefits from the land compensation and Rehabilitation Assistance. The study team met 6 PAFs. Three of them, namely Subramanyam, Ganapathi Gounder and Shanmuga Murthy have invested their Rehabilitation Assistance in power looms, which is a common activity in the village. It is reported that each power loom is generating an additional income of Rs.1000 per week.

Similarly, three other PAPs namely Senniappa Gounder, Veerasamy and Valliammal have invested their compensation and Rehabilitation Assistance in power looms. One PAP, Velusamy has constructed a house on the remaining land and a shed for power looms. It was also found that some PAP's have created livestock assets, which accrues income along with supplement to their nutrition. The Rehabilitation Assistance provided by POWERGRID appears to be generating income and has created assets for the PAP's thus improving the living standards of the PAPs.

In order to develop the surroundings and community resources, various community development works have been proposed in the RAP in consultation with PAP's through village meetings and also the district administration. The following community development works have been proposed and have been carried out in coordination with the GRC members

1. Augmentation of drinking water facility for the village is executed at a cost Rs.5,00,000 and completed.
2. Construction of roads (Rs. 10,00,000) was taken up and completed.
3. Addition facilities (Rs. 5,00,000) have been provided in high school.
4. Concrete Pavement work on cut roads (Rs. 2,60,000) was carried out.
5. Street lighting (Rs.2,69,000) work taken up and completed.

The photos of the completed works and discussions are presented in Annexure 1.

2.4 Pugalur Substation:

Pugalur (Karur) Substation is a part of the southern regional grid. The present Grid strengthening scheme has been proposed to disperse power available from Neyveli generation complex with security and reliability to its beneficiaries. The main objective of the project is to improve reliability through strengthening of grid for smooth operation of southern region grid particularly of Tamil Nadu. Towards this, establishment of new 400/220 kV substations have been envisaged at Pugalur which shall be integrated with the main transmission network for receiving power. The Pugalur (Karur) Sub-Station is associated with Grid Strengthening for Tamil Nadu - II to integrate Pugalur with main regional transmission network and thereby to national grid.

Project Highlights:

a.	Project Name	Grid Strengthening for Tamil Nadu of Southern Region Grid.
b.	Location	Tamil Nadu
c.	Beneficiary States	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry
d.	Project Cost	Rs. 184.57 Crores

The Land selected and acquired for the sub-station along with colony and stores is a total of 15.38 Hectares (38 acres) in K.Paramathi Village, situated on the Karur - Coimbatore National Highway (NH-67) about 16 km from Karur Town. Karur is located in the centre of Tamil Nadu, geographically.

The site selection committee after visiting and studying different alternative sites selected the present site. Accordingly in the absence of government land a private land measuring

15.38 Hectares was selected for acquisition. The selected site involved minimum social impact and lesser no. of families and no displacement of people.



Land before construction of Substation

2.3.1 Process of Implementation of RAP

The rehabilitation action plan for the substation was prepared after assessment of the socio economic condition of the project affected persons. The study team visited village, K. Paramathy and held detailed discussions with the PAF's, POWERGRID officials and the representatives of the implementing agency.

A Grievance Redressal Committee was formed to address the grievances of the PAF's with the following members:

1. RDO, Karur as nominated by District Collector, Karur
2. President K. Paramathy Village
3. Shri P. Ramalingam, S/o Palanisamy (Representative of PAFs)
4. Smt. Masila Mani W/o Jayakumar (Representative of PAFs)
5. DGM, POWERGRID (nominated by POWERGRID)

A committee for Implementing Monthly income generating scheme for the PAF's was constituted with 4 members as follows:

1. Branch Manager, Union Bank of India, K. Paramathy Branch, Coimbatore.
2. Revenue Inspector of K. Paramathy village (As nominated by the RDO, Karur)
3. Panchayat President, K. Parakathy.
4. Substation In-charge, Karur (POWERGRID representative).

During the monitoring and evaluation the study team met 9 affected persons and ascertained that they had received the assistance for the income generating schemes as per the approved plan. It was also ascertained that the total amount of Rs. 8,52,900 earmarked for this activity has been disbursed through the Union Bank of India, K. Paramathy Branch, Coimbatore.

It was also ascertained that all the 22no's of PAPs including the temple had received the land compensation. The disbursement of the rehabilitation assistance to all the affected families has been completed, amounting to Rs. 7,72,572/-. The RA was not disbursed to the land acquired from Thiruvaduthurai Adheenam (Temple land) as temple is not considered for RAP.

During the discussions with the PAFs, it was understood that the land compensation fixed by Government of Tamil Nadu was much below the prevailing market rate for the land. It was also brought to the notice of the study team that the market prices for the land around the substation had increased substantially after the initiation of the project by POWERGRID. The general feeling among all the PAFs was that, they ended up being the losers because

- i. The compensation fixed by Government of Tamilnadu was lower and
- ii. They are unable to take advantage of the increases in land values due to the economic development induced by POWERGRID in the area.

It is a fact that POWERGRID had no role to play in the fixation of the compensation rate. Nevertheless, the feeling among the PAFs is that the procedure and process followed by Government of Tamilnadu is detrimental to those who lost their lands for the project. The study team was also informed by the PAFs that they have sought the Intervention of court for seeking higher compensation, but at the same time they are satisfied with the implementation of the income generating schemes by POWERGRID.

Three PAFs were given assistance for the purchase of livestock. The team has ascertained the purchase through the insurance receipts issued by The New India Assurance Company Ltd for cattle / livestock. The study team also recorded that the milk produced is being used for PAF consumption, thus the assistance provided by POWERGRID is also helping in enhancing the nutrition levels of the PAF's, this was ascertained by the PAF's who were satisfied with the individual assistance provided under RAP.

Some of the PAFs have invested the rehabilitation assistance in the family future by using these amounts for higher studies of their children/grand children. They mentioned that this could not have been possible without the rehabilitation assistance of POWERGRID.

In addition to the assistance to the individual PAFs, POWERGRID has taken up the following activities for the benefit of the community:

1. Construction of OHT including pipelines & motor for drinking water at Kulamnagar Adidraavidar Colony.
2. Construction of OHT at Mariamman Koil at West Street.
3. Construction of OHT and pump at Panchayat Union Office.
4. Installing a Sintex tank with pump at the vegetable market.
5. Installing a Sintax Tank with pump at Periyar Nagar.
6. Installing a Sintax Tank with pump at Kongu Nagar.
7. Installing a Sintax Tank with pump at Kalpalayam Adidrauida Street.
8. Extension of pipeline at Nachlmuthu Nagar.

It has been observed that POWERGRID has taken up the rehabilitation as well as community works sincerely and made the required resources available. There have been certain delays in executing some of the community works. It appears that the delay is not necessarily due to lack of resources but mainly due to the finalization of the site for carrying out these works by the village panchayat.

The photographs of the completed works and discussions are presented in Annexure 2

2.5 Pondicherry Substation:

Pondicherry Substation is a part of the Southern Regional Grid. The present Grid strengthening scheme has been proposed to disperse power available from Neyveli generation complex with security and reliability to its beneficiaries. With this In consideration, new transmission corridor has been proposed beyond Pugalur in Tamilnadu, where power from Neyveli generation complex shall be available. Towards this, establishment of new 400/220kV substations have been envisaged at Pondicherry which shall be integrated with the main transmission network for receiving power. This S/s is established under the Grid strengthening of Tamil Nadu and Andhra Pradesh to Integrate Pondicherry with main regional transmission network and thereby to national grid.

The proposed project is established in Pondicherry, a small Union Territory with legislature located in between Villipuram and Cuddalore districts in Tamil Nadu. The site selected for the sub-station extends to 10.1837 Hectares, its mostly private land and partly temple land situated in village Ramanathapuram, about 12km from Pondicherry.

Project Highlights:

a.	Project Name	Grid Strengthening for Tamil Nadu & Andhra Pradesh of Southern Region Grid.
b.	Location	Tamil Nadu, Pondicherry and Andhra Pradesh.
c.	Beneficiary States	Andhra Pradesh, Karnataka, Kerala, Tamil Nadu and Pondicherry
d.	Project Cost	Rs. 152 Crores

Since Pondicherry is a small town and availability of government land is limited.



Land before construction of SS

Accordingly the site selection committee after studying the different alternative sites selected present substation site approximately 12 KM away from Pondicherry town in the village

Ramanathapuram. The selected site involved minimum social impact and lesser no. of families and no displacement of people.

2.5.1 Process of Implementation of RAP

The rehabilitation action plan for the substation was prepared after assessment of the socio economic condition of the project affected persons. The Monitoring and Evaluation Team visited the Ramanathapuram village in Pondicherry, and held a series of detailed discussions with the PAF's, POWERGRID officials and the representatives of the implementing agency.

It was observed that the Committee for Implementing Monthly income generating scheme for the PAFs was constituted with 6 members as follows:

1. Dy. Collector (Revenue) – Chairman
2. DGM, POWERGRID, Representative of POWERGRID
3. Muthunarayanan S/o Ramasamy Reddiar (Representative of PAFs)
4. Akkamottan S/o Ranganatha Gounder (Representative of PAFs)
5. Smt. Vijayalakshmi, President, Village Panchayat
6. NV Raju, DGM POWERGRID

The same committee is also designated as the Grievance Redressal Committee (GRC). During the meetings of the committee, there was a demand from the PAFs to convert the income generating schemes into fixed deposits. This demand appeared to be based on the changes in the socio economic situation in the area over the past couple years where the maintenance of livestock has become very difficult due to urbanization in the region and increased labour costs. The committee endorsed the view and proceeded with the fixed deposit scheme without the option of encashment for a period of 3 years in order to guarantee a fixed monthly income.

The land compensation has been disbursed to all the PAP's with authentic land titles (16no's i.e. 15PAP's +1temple) amounting to Rs. 1,90,97,950/-, however the land compensation amount for the persons who couldn't produce the land documents has been deposited in the court by the revenue authorities and the matter is subjudice. There are seven (07) survey no's whose ownership is yet to be established by the court, land compensation of

Rs.40,83,336/- pertaining to these survey no's is deposited with the court. Consequently the RA and IGS of these disputed land owners are at abeyance, amounting to Rs. 7,65,242/-. The same would be disbursed after pronouncement of the court verdict.

Some of the PAF's had utilized the compensation amount for acquiring additional assets such as agricultural land, residential houses etc. This is a welcome development of the assistance provided.

The community development schemes proposed in the report were construction of road, drinking water facility and community centre. Of these, the village officials had requested POWERGRID to re-appropriate the money allotted to the drinking water facility to augment the street lights (High mast street lights) and the committee has agreed for the re-appropriation. Due to non availability of the land for community centre the GRC has decided to provide playing equipment to primary school in Ramanathapuram village. The details of the community development works executed by POWERGRID are as below.

1. Construction of village road at a cost of Rs. 5,18,208.
2. Augmentation of street lighting with high mast at a total cost of Rs. 12,36,800.
3. Playing equipment to primary school at a cost of Rs. 2,44,992.

POWERGRID had taken up construction of a library building in the SC/ST colony in the village. This is being taken up under CSR activities of POWERGRID. This work is being executed directly by POWERGRID itself. In contrast to the community development works, the CSR work is progressing as per schedule and is expected to be completed within the targeted date.

The above example indicates that whenever POWERGRID takes up any execution on their own, it can be completed on schedule where as when these works are entrusted to village panchayats/ revenue officials, POWERGRID has no control on their execution and hence the delays.

The photos of the completed works and discussions are presented in Annexure 3.

Chapter 3

Change in the Living Standards of PAP's

POWERGRID has articulated a social entitlement framework in its corporate policy- Environmental and Social Policy & procedure (ESPP) applicable for the affected families due to the acquisition of land/assets for the substation. Its prime concern is to rehabilitate and resettle people affected by the process of land acquisition. The POWERGRID's policy on Resettlement and Rehabilitation (R&R) is to provide "people, who are displaced or otherwise affected by the projects, means to improve or at least restore their former living standards, earning capacity and production levels", through a process in which they participate via their own social and cultural institutions. Therefore, the process of Resettlement and Rehabilitation of the displaced is developed and participatory oriented with an emphasis on the need to "ensure that the development fosters full respect for their dignity, human rights and cultural uniqueness".

The PAF's in the three locations seem to derive maximum benefits from the land compensation and Rehabilitation Assistance. They have used the compensation and the assistance for various income generating activities depending on the local conditions and their skill levels. Some of the instances based on the case studies are given below in order to demonstrate the effective use of the compensation and rehabilitation assistance for improving the living standards of the PAFs.

There are two cases involving 6 PAFs. Three of them, namely Subramanyam, Ganapathi Gounder and Shanmuga Murthy pooled their R & R Assistance and invested in power looms, which is a common activity in the village. It is reported that each power loom is generating an additional income of Rs.1000 per week, which is much more than what they were earning before the project.

Similarly, three other PAFs namely Senniappa Gounder, Veerasamy and Valliammal have also invested their compensation and Rehabilitation Assistance in power looms. A PAF Velusamy had constructed a house and a shed for power looms on the remaining land. He also managed to add additional cattle shed for his cattle. His income from the power loom is being complemented by the milk production and part of which is being consumed by the family itself. Thus, indicating that not only the income levels have gone up, but also the living conditions of the PAF's have improved.

It was also found that some PAP's have created livestock assets, which increase their incomes along with supplementing their nutrition. The Rehabilitation Assistance provided by POWERGRID appears to be generating income and created assets for the PAP's thus improving the living standards of the PAPs.

In another case study, three PAFs were given assistance for the purchase of livestock. The livestock assets complement the agricultural activity and lead to additional income generation. The team has ascertained the purchase through the insurance receipts issued by The New India Assurance Company Ltd for cattle/livestock insurance. It was informed to the study team that the milk produced is also being used for family consumption, thus the assistance provided by POWERGRID is also helping in enhancing the nutrition levels of the PAF's. This was also ascertained by the PAF's who were satisfied with the individual assistance provided under RAP.

Some of the PAFs have invested the rehabilitation assistance in the family future by using these amounts for higher studies of their children/grand children. It is also possible that the dependence on the land for these family members would come down with the rise in intellectual levels of the future generation with quality education. They mentioned that this could not have been possible without the rehabilitation assistance of POWERGRID.

These case studies indicate that the compensation as well as the rehabilitation assistance is being used effectively for improving the income levels as well as the living standards of the PAFs.

Chapter 4

Summary and Recommendations

1. These community development works constitute a very small amount as compared to the rest of the project. The process of handing over these works to the village panchayat/revenue departments is resulting in a situation where POWERGRID has no control. It may be desirable to execute these works through POWERGRID themselves, using their contractors. The quality of the CD works can be still be monitored by the same committee which is responsible for implementing the RAP.
2. There are certain situations where the ownership of the land is in question. This ownership issue is to be resolved by the revenue department of the concerned state. This issue is not being settled for years together. Consequently, the PAFs are not only getting their land compensation, but also are made to forego the RAP assistance. This situation defeats POWERGRID's principle that the PAF should not be worse off. POWERGRID cannot be blamed for this situation. It should be noted that POWERGRID deposits the compensation amount with Revenue department in advance. It is the responsibility of the Revenue department to disburse the compensation amount to the PAF. It is suggested that the Revenue department should create a mechanism to establish the ownership without any delay and disburse the compensation which in turn facilitates the RAP assistance.
3. These ownership problems and related R & R problems could be avoided if the land is acquired from respective state industrial development/ infrastructural corporations of respective states rather than the present practice of getting the land from revenue department. Then it becomes the responsibility of these corporations to manage ownership disputes and R&R process.

4. At the same time, in order to get the goodwill of village community, the package of community development works may be enhanced to Rs. 50 lakhs (approximately about Rs. 50, 000 or Rs. 1, 00,000 per acre acquired).
5. It is better to identify about three or four community works which costs about Rs. 15 lakhs each. The advantage is that POWERGRID main contractor only could be entrusted with these works also. This process helps in minimizing the time and cost over runs.

