

Resettlement Plan

September 2011

Nepal: Electricity Transmission Expansion and Supply Improvement Project

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DRAFT RESETTLEMENT PLAN

**MINISTRY OF ENERGY
GOVERNMENT OF NEPAL**

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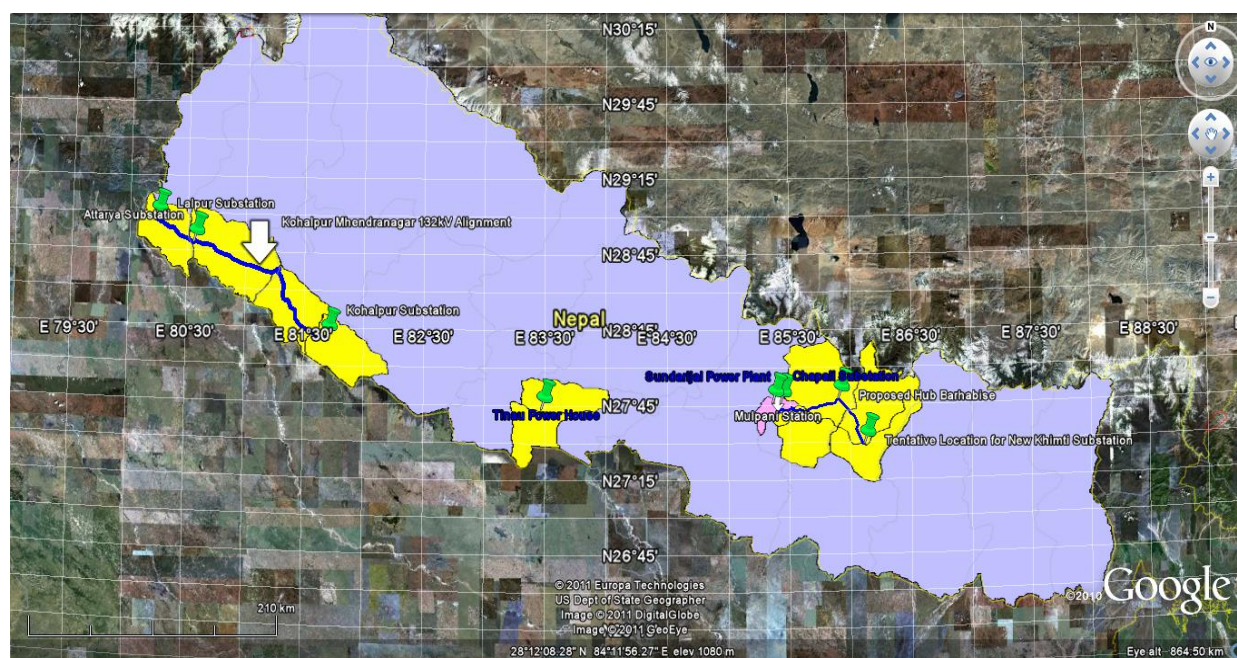
DRAFT RESETTLEMENT PLAN

A. Introduction

1. The purpose and objective of social analysis and resettlement planning is to identify and adequately avoid, minimize, or mitigate adverse social impacts and risks during the course of project development. The social assessment includes covers involuntary resettlement, indigenous peoples and gender specific issues. It also considers the needs and risks to special population groups such as the elderly, the disabled and those whose livelihood are unexpectedly threatened. Identification, assessment, and development of policies and programs to address these issues are integral to social assessment. Social safeguard becomes even more important for Nepal since the country does not have a comprehensive resettlement or social safeguard policy. A comprehensive resettlement and social safeguard policy facilitates consistency in approach, compliance with statutory requirements and strengthening of institutional practices that ensure that displaced and affected peoples are fairly compensated for impacts, nuisances and damages incurred as a result of projects that are in the greater interest of the state and the public. As a minimum, compensation and enhancement measures must ensure that affected families incomes and livelihoods are rehabilitated or improved from pre-project conditions.

B. Brief Description of Projects

2. Projects under different components covered within the Nepal Electricity Transmission Expansion and Supply Improvement Project are shown in Map 1.



Map 1: Location of Project Areas

Their geographical information and salient features of the Projects are presented in Table 1.

Table 1: Projects and their salient features under study

Project	Location (Area coverage)	Salient features
A. Transmission		
1. Kohalpur-Mahendranagar Transmission Line Project	<ul style="list-style-type: none"> Extends from existing Kohalpur (Banke) substation to Lajpur (Kanchanpur) Substation Covers four districts of Mid-Western and Far Western 	<ul style="list-style-type: none"> An addition of 2nd circuit to the existing 132kV line between Kohalpur in Mid-Western to Mahendranagar in the Far-Western Nepal Addition of one 132kV line bay at existing Kohalpur Substation

	Tarai namely Banke, Bardiya, Kailali and Kanchanpur	<ul style="list-style-type: none"> Construction of two substations - one at Bhurigaun and another at Pahalmanpur are proposed for efficient power delivery to the distribution systems and new electrification in the surrounding areas. This construction of new substations will consist of two 132kV line bays, one transformer bay, one control building, one 132/33kV transformer and one 33/11kV transformer. Addition of two 132kV line bays, one transformer bay and a double busbar at Lamki and Lalpur, Mahendranagar, substation Addition of two 132kV line bays and a double busbar at Attariya substation.
2. Augmentation of Chapali Substation	<p>Northern part of Kathmandu.</p> <p>The consumers of Chabel, Maharajgunj, Lainchaur, Palace, Thamel, Lazimpat, Hospital, Naxal and other domestic/commercial areas will be the main recipients of this improvement.</p>	<p>The main features includes:</p> <ul style="list-style-type: none"> Addition of two 132kV transformer bays Addition of one 66kV line bay Addition of one 66kV transformer bay Addition of two 132/66kV transformers Addition of communications and SCADA works. This augmentation together with Lainchaur-Chabel 66 kV U/G link is meant to cope with increasing demand of electricity in the northern area of Kathmandu and for reliable operation of Lainchaur substation. This is targeted to increase in capacity to improve system reliability, reduce overloading and losses enable a wider customer base, increased energy sales and improved customer satisfaction.
3. New Khimti--Barhabise – Kathmandu 400kV Transmission Line project	Dolakha, Sindhupalchok, Kavrepalanchok, Bhaktapur, Kathmandu districts	<p>The transmission line is intended to be built to 400kV rating but operated at 220kV initially. It will evacuate power generated from Upper Tamakoshi Hydropower Project (456 MW) and other neighboring hydropower Project.</p> <p>The main features include</p> <ul style="list-style-type: none"> Construction of one 400kV double circuit line from New Khimti to Moolpani, Kathmandu Addition of two new 400kV bays to New Khimti substation. Upgrading of Barhabise substation Construction of new 220/132kV substation at Moolpani, Kathmandu Installation of communication interfaces at Tamakoshi, Barhabise, Moolpani substations <p>With its approximate 100 km length (subject to detailed survey), the transmission line will be constructed on double circuit self standing steel lattice towers. This transmission Line is expected to aid to reinforcement and reliability for the existing power supply system in Nepal.</p>
B. Micro-hydro		
1. Sundarijal 640kW Hydropower Station	It is located at Sundarijal which is 17 km from the core of Kathmandu city.	A run of river power station having two turbine-generator sets with a total installed with capacity of 0.64 MW and average annual energy generation of 4.77 GWh. Project inception was in 1925 (1982 BS) and completed in 1934 (1991 BS). The design head

		<p>was 750 ft and penstock length of 1700 meter.</p> <p>It is the second hydropower station in Nepal. It was financed by the British Government.</p> <p>Due to the age of the electro-mechanical equipment and the increasing need to make frequent repairs, the station has reached a point where it will be operationally effective to replace the main hardware items.</p>
2. Tinau hydropower station	Located at Dovan VDC of Palpa district but close to Butwal municipality, Western Nepal.	<p>Tinau hydropower station has an installed capacity of 1MW. Built more than 40 years ago it has been a reliable source of electricity in to the Butwal area, due to simple construction and a reliable water source. However, due to the age of the electro-mechanical equipment and the increasing need to make frequent repairs, the station has reached a point where it will be operationally effective to perform major works on both the civil aspects and the electromechanical equipment</p>

C. Distribution Substation Rehabilitation

The project will include the rehabilitation of twelve existing distribution substations. NEA has a prioritised list of six substations in the eastern region and six in the western region, in urgent need of rehabilitation, each of which will contribute to new increased supply reliability and loss reduction. Each substation will be provided with increased transformer capacity and where necessary, overhead feeder lines will be reinforced to accommodate higher loads and additional capacity. The following locations and changes in transformer capacity are proposed:

Gaur, Rautahat, 33/11kV, from 5MVA to 6/8MVA
 Nijgarh, Bara, 33/11kV, from 1.5MVA to 6/8MVA
 Chandragardhi, Jharpa, from 6/8MVA to 2 x 6/8MVA
 Jare, Dhading, from 3MVA to 6/8MVA
 Belbari, Morang, from 3MVA to 6/8MVA
 Parasi, Nawalparasi, from 6/8MVA to 2 x 6/8MVA
 Ghorka, Ghorka, from 3MVA to 6/8MVA
 Krishnanagar, Kapilbastu, from 3MVA to 6/8MVA
 Taulihawa, Kapilbastu, from 4.5MVA to 6/8MVA
 Amuwa, Rupendehi, from 5MVA to 6/8MVA
 Gaddachauki, Kanchanpur, from 1.5MVA to 6/8MVA
 Mirmi, Syangja, from 3MVA to 6/8MVA

There will be no resettlement impacts as the facilities are existing and the land is already owned by the EA.

C. Scope of Land Acquisition and Resettlement

3. The positive impacts of the projects at the local level primarily include employment opportunity, boost in economy and reduction of poverty. The transmission line project is expected to generate employment opportunities during both construction and operation. The project will target local peoples, including women, for jobs and training. More than 2,000 people are likely to be required during the construction of the project, which includes unskilled, semi-skilled and skilled workforce. With the additional substations and power lines, the projects will be able to improve access, efficiency and reliability of electric power and enhanced power supply capacity. This additional capacity will have a positive impact on meeting power demands across the areas. It will help to boost the economy through investment and expansion of business and income generating activities, which in turn contributes to poverty reduction and alleviation.

4. Some negative impacts are expected and will be unavoidable. The construction of substations will require land. This will impact households who will partially or permanently lose ownership/access to land, crops, or other physical assets. Acquisition of land associated with the Chapali substation has been completed by the EA while all other acquisition is currently in process. With respect to the transmission line project, the loss of income from agricultural land will be mitigated through various income generating activities, employment opportunities and other resettlement assistance. The likely social impacts such as HIV/AIDS and other sexually transmitted disease problems will be dealt with carefully through public awareness and education campaigns where large groups of migrant workers are required. This will form

part of the projects occupational health and safety plan and will be implemented through specific contractual clauses and obligations of second/third parties involved in developing the project and through regular monitoring of activities like training of workforce.

5. Table 2 provides a summary of affected households and population. A provisional estimate suggests a total of 100 households will be affected by either land acquisition and/or loss of housing in three distribution projects that involve land acquisition. In addition, the impact through land use restriction along New-Khimti- Kathmandu transmission line approximates 350 households and 1750 population.

Table 2: Summary of Affected households and Population¹

Project Component	Sub-component	Affected households	Affected population ²	Remarks
A. Transmission Line				
Kohalpur-Mahendranagar	Substation	9	45	Households losing land at Bhurigaun (6) and at Pahalmanpur (3) for substation
	RoW	6	-	Sheds and toilets under already existing RoW. These do not belong to individual households but rather 2 public schools in the Motipur and Deudakala VDC.
Total		15	75	-
Chapali Substation Augmentation ³	substation	45	180	The land acquisition was <i>completed</i> prior to ADB consideration of the loan.
New Khimti-Kathmandu	Substation	30	150	Households losing land at Bahrabise (7) and at Moolpani (23). NEA also expects to utilize some government land along Manohara river bank.
	TL RoW	10	Approx. 50	Affected due to loss of crops/physical assets within the RoW
	TL RoW Land use restriction	350	Approx.1,750	Affected due to land use restriction and Angle points along Row of TL whose length approximates 109 km.
Substation: permanent loss due to land acquisition		39	195	40 households will lose permanent access to land holds and/or housing, while 350 households will be temporarily affected during construction.
ROW: temporary loss due to construction/maintenance activities		366	Approx. 1,830	Land owners will be temporarily affected during the construction of the line but will continue to be able to use the land for agriculture. This is considered a temporary impact of the project which will be compensated accordingly per the RP entitlement matrix and in alignment with ADB SPS 2009.
Total		405	2,025	Approximate number of people to be affected by permanent and temporary impacts.
B. Micro-hydro Rehabilitation				
Tinau hydropower station	Rehabilitation	Repair and replacement of equipment and associated activities to concentrate within existing station site. No additional land required and no houses affected.		
Sundarijal Hydropower Station	Rehabilitation	Repair and replacement of equipment and associated activities to concentrate within the project area premises. No additional land required and no houses affected.		
C. Distribution Substation Rehabilitation				
Selected Substations	Activities will use existing distribution substations and land already owned by the EA, free of encumbrances.			

6. The NEA report of the detailed survey of the New Khimti-Kathmandu transmission line is in progress. Table 3 summarizes the land acquisition and resettlement of the projects considered as part of the loan. The total land acquisition is estimated to be about 18 ha of land for all three projects.

Table 3: Scope of land acquisition and resettlement

¹ Highlighted rows indicate the number of peoples affected by land acquisition or loss/damage to physical assets.

² Based on an average of 5 persons per household. This figure could be higher/lower upon detailed survey.

³ Resettlement activities have been completed and therefore not considered in headcount of PAP and HH.

Project	Current Status	Area required	Resettlement impact
A. Transmission Line			
1. Kohalpur Mahendranagar TL 2 nd circuit stringing	The existing right-of-way (ROW) of 30 meters total width has been maintained since the original construction. The land requirement is for 2 substations only. Exact sites are yet to be finalized. Site selection will be aimed to avoid houses and settlements.	About 7 ha for 2 substations at Bhurigaun and Pahalmanpur	<p>Fifteen households, 9 due to land acquisition for two substations and 6 cowsheds and toilets built illegally within the existing RoW.</p> <p>The affected households have their land in the vicinity. The possible sites do not have houses. It is intended to acquire land from large land owners.,.</p> <p>Two government schools (Nepal Rastriya, Motipur and Purna Hira, Deudakala) have their open ground and shed at the margin of row. About 3 vendors at Chisapani who have their residential arrangements elsewhere are likely to be close to the row area. A few temporary huts at Baliya are likely to be at the margin of row.</p> <p>Except for the households affected due to land acquisition at substation, no households are expected to be directly affected by the proposed Project. In cases of any impact, NEA will comply with ADB safeguards policy statement in terms of compensation and rehabilitation.</p> <p>No new transmission towers are required, and minimal disturbance is expected during construction as the existing road provides access to the transmission towers. The construction activities will have similar potential impacts as routine maintenance.</p> <p>Impacts are temporary, reversible and limited to damage or loss of crops during the construction phase.</p>
2. Augmentation of Chapali Sub-station	The area required has been acquired and compensation already paid.	1.53 ha. at Chapali	<p>Forty five households with 180 people (77 owners) were affected by land acquisition and compensation. Altogether 80 plots including two sheds were acquired.</p> <p>Impacts were considered minor given that all are large land owners who have other land in the vicinity or elsewhere in the country. The task of land and asset acquisition has been completed It is anticipated that temporary minor impacts will occur during the underground cable installation to Chabel.</p>
3. New Khimti-Kathmandu 220/400kV Transmission Line	The detail survey report is being prepared. The total area to be acquired at Barhabise and Mulpani substation and for the tower pads/angle points has not been finalized. Recently the route alignment has been revised to avoid	Land required for Barhabise hub and Mulpani substation (tower pads). NEA estimates 7.5 ha of land will be required for all facilities along the 109 km line. The current estimate of land area required is relatively small and may be revised by NEA.	The preliminary estimates from the social/gender survey team (for 400/220 kV line) suggests a total of 30 households with approximately 150 people are likely to be directly affected by land acquisition at two substations: 7 households at Bahrabise phant and 23 households at Moolpani. The project may impact illegal assets (households or other buildings) falling just within or in close proximity to the RoW once it is expanded to 46 meter. The survey team will avoid all possible additions through alternative

	Gaurishankar Conservation Area. The new route will be from New Khimti Barhabise.- Kathmandu.		<p>alignments along the length of the Transmission line.</p> <p>Land use restriction on cultivated land area will be placed on about 280 ha (23m*23m) for building construction and tree plantation. The provisional estimate of affected households is 350 and a population size of 1,750 peoples.</p> <p>No loss of trees is expected in both the substation areas namely Bahrabise phant and Moolpani.</p> <p>No structures are affected at Moolpani. Five temporary sheds are likely to be affected in Bahrabise substation.</p> <p>Detail surveys with revised route (New Khimti-Barhabise-Kathmandu instead of Gonger, Tamakoshi-Barhabise- Kathmandu) are being planned by NEA. The new route is expected to have less impact and will avoid the recently declared Gaurishankar Conservation Area. The land use in <i>Bahrabise phant, and Moolpani</i> is cultivated land. The total <i>phant</i> has more than 7.5 ha of land and is the only relatively gently sloped area. The project may not need all this area and will minimize land acquisition. Currently 10 households with a total of 17 owners are identified and all of them have their land and or business nearby. Seven households may lose their land as NEA plans to minimize land acquisition.</p> <p>Among identified land owners 12 owners belong to the Newar ethnic group and the rest Brahmin/Chhetri. All of these are considered to be mainstreamed into the local society and way of life.</p> <p>The impacts are expected to be minor, and temporary.</p>
B. Micro-hydro			
1.Sundarijal 640kW Hydropower Station	Generating electricity so far but their electro-mechanical equipment have become old there is a need to make frequent repairs.	Repair and replacement of equipment and activities to concentrate within the project are premises. No need of additional land.	No negative impacts to households and/or the community. It supports supply reliability in the outer part of the Kathmandu. NEA activities will be confined to already existing facilities/substations.
2. Tinau hydropower station	Generating electricity so far but their electro-mechanical equipment have become old there is a need to make frequent repairs	Repair and replacement of equipment and activities to concentrate within the project area premises. No need of additional land.	No any negative impacts to households and the community. It supports supply reliability in Butwal area. NEA activities will be confined to already existing facilities/substations.
C. Distribution Substation Rehabilitation			
Each of the selected substations for rehabilitation will contribute to new increased supply reliability and loss reduction. The social assessment is not required for the distribution component. It involves upgrading a few substations and			

potentially giving these to local community organizations for management. NEA activities regarding distribution substation rehabilitation will use already owned land as all substations already exist.

C.1 Gender Issues

7. A social and gender analysis was carried out for the Project, which is currently categorized as “Effective Gender Mainstreaming”. The project includes a Gender Action Plan which, among resettlement mitigation measures, includes a range of training, capacity building, livelihood development, and community infrastructure activities that benefit and target women living in the affected village and the settlements within the vicinity of the project area. Education opportunities for women groups include skills training on various vocational areas required in the area. Training will be for the local programs that are being implemented by other line agencies in the village or the district administration. Further to this women of affected families will benefit from project generated jobs.

D. Socioeconomic Information and Profile

8. The Population Census 2001 recorded 23,151,423 as the population of the country. Of the three ecological zones namely Tarai/Madesh, Hill and Mountain, 48.4 percent lives in Tarai (including inner Tarai), 44.3% in the Hills and 7.3 percent in the Mountain. In terms of regional distribution, 23.1 % live in the Eastern region, 34.7% in the Central region and 19.7% in the Western region. Likewise the share of Mid-Western and Far-Western Region is 13.0% and 9.5% respectively. From a socio-cultural point of view Nepal's population is subdivided into 100 caste and ethnic groups⁴. in the country.

D.1 Categorization of Social Groups

9. The Census 2001 has published data for 100 caste/ethnic, religious and other social groups. The total population can be categorized into three main cultural groups namely Caste origin group, *Janajati* (indigenous nationalities) and other. The other includes, Muslim, Bengali, Marwari and Sikh/Panjabi. The caste origin group comprises 59% of the total population, the *Janajati* including unidentified groups 36.6% and others 4.4%. Among others, Muslim's account for 4.3%. The caste origin group is further divided into high and middle caste and the *Dalits*. The *Dalit* group generally represents the most disadvantaged section of the society. In terms of distribution of population the caste origin people are widely distributed throughout the country. This applies to both the high/middle caste and the *Dalits*. On the other hand, many *Janajati* groups especially those that have very small population have particular tendency of concentration in a few locations. Likewise, Muslims are also largely concentrated in a few Tarai districts. With respect to *Dalits*, the latest population census of Nepal (2001) reported 2,675,817 populations as Dalits. This constitutes 11.6 % of the total population of the country. Some *Dalit* activists consider this figure to be very low. Of the total Dalits, the Hill Dalits account for 64.5 % and the Tarai *Dalits* 35.4%. The figure of the Newar Dalits is not given separately. Within this broad Dalit category, the Kami population alone accounts for 33.5% of the total Dalit population in Nepal according to the 2001 census.

D.2 The Indigenous People (Janajati)

10. The indigenous nationalities (ethnic group) need special mention. In Nepal, the so-called tribe or tribal group is popularly known as *Adibasi/Janajati* (indigenous nationalities). Among the 100 ethnic/caste groups listed by the Central Bureau of Statistics, Nepal (2001 census), *Janajati* alone make up 59 groups. In terms of their distribution by ecological zones, 18 of them are from the mountain, 23 from the hills, 7 from the Inner Tarai and 11 from the Tarai. This number of the *Janajati* group has been further updated to 81 by a recently formed Technical Committee (2010) of the Government of Nepal but it has not been officially declared. Of those 59 listed *Janajati* groups, the CBS (2001) provided the population data of only 44 groups and the population size of other groups is not known. This is simply because many of these groups could not be identified as a separate cultural group in those particular regions where they have been listed. The population size of identified *Janajati* groups in the 2001 census was 8,473,429. Of this,

⁴ Census Bureau of Nepal.

the Tarai Janajati was 2,030,851 (24% of total Janajati). Adding 5,259 unidentified Janajati, the total population size of Janajati groups comes to 8,478,688 or 36.6 percent of the total population of Nepal.

11. Acknowledging the diversity in the mode of livelihood, income and socioeconomic development among the various Janajati groups, the NEFIN (2005) has classified these various groups into five broad categories with their levels of socioeconomic development or the process of marginalization (Table 4). The advantaged ones and many households of the disadvantaged and marginalized background have been carrying out livelihood activities similar to caste groups, have become widespread in the country, have joined foreign employment, are educated and have human development index comparable to Brahmin/Chhetri, the so called high caste groups (Nepal Human Development Report 2009). The human development index (HDI) of all *janajati* was 0.530 and that of Newar 0.616 against national average of 0.509. The HDI of all Brahmin/Chhetri was 0.552. Dalits (all) have HDI value of 0.424.

Table 4: Distribution of indigenous groups /nationalities by Ecological Zones

Ecological zones	Categories of Indigenous Groups/Nationalities				
	Endangered	Highly marginalized	Marginalized	Disadvantaged	Advantaged
Mountain	-	Siya, Shingsawa (Lhomi), Thudam	Bhote, Dolpo, Lar-ke, Lhopa, Mugali, Topkegola, Walung	Bara Gaunle, Byanshi, Chhairrotan, Marpah ali-Thakali, Sherpa, Tangbe,, Tingaule	Thakali
Hill	Bankariya, Hayu, Kushbadiya, Lepcha, Sural	Baramu, Thami, Chepang	Bhujel, Dura, Pahari Phree,, Sunuwar, Tamang	Chantyal, Gurung, Jhirel, Limbu, Magar, Rai, Yakha, Hyolmo	Newar
Inner Tarai	Raji, Raute, Kusunda	Bote, Danuwar, Majhi	Darai, Kumhal	-	-
Tarai	Kisan, Meche	Dhanuk, Jhangad, Satar	Dhimal, Gangai, Rajbanshi, Tajpuriya Tharu	-	-
Total	10	12	20	15	2

Source: The National Foundation for Development of Indigenous Nationalities (NEFIN) 2005.

D.3 Social Groups and IPs in the Project Area

12. The total population of four districts of Mid-western and Far-western Tarai from where the Kohalpur Mahendranagar Transmission Lines passes through was 1,763,085 according to census 2001. Its socio-economic composition is largely mixed i.e., caste groups, *Janajati*, Muslim and others. Among caste groups Brahmin/Chhetri including Sanyasi constitutes 31.3% and Kami/Damai/Sarki 7.2%. Among *Janajati*, Tharu alone constitutes 35.3% and Magar 3.6%. Likewise Muslim population constitutes 5.5%. In Bardiya whereas Tharu is in majority (52.6%) in Banke Muslims constitute 21%. However, since the project activities will be confined to already maintained RoW no direct impact on the *Janajati* and *Dalit* groups is likely.

13. The total population of five districts covered by New Khimti-Kathmandu Transmission line namely Dolakha, Sindhupalchok, Kavre, Bhaktapur and Kathmandu was 2,162,609 (2001). Its socio-economic composition is also largely mixed i.e., caste groups, *Janajati* and others. Among caste groups Brahmin/Chhetri including Sanyasi constitutes 38.8% and Kami/Damai/Sarki 3.5%. Among *Janajati*, Newar and Tamang constitutes 25.3% and 16.6% respectively. Similarly, Magar, Sherpa and Gurung comprise 2.8%, 2.7% and 1.8% respectively. While Newar is categorized as advantaged group Magar, Sherpa and Gurung are categorized as disadvantaged and Tamang as marginalized (see Table 3 above). In Dolakha and Sindhupalchok, there is a sizeable presence of Thami population (17,929 or, 3.8% of total population). They are among highly marginalized group. These figures represent the district scenario. At the present state of understanding including field assessment of Moolpani and Bahrabise substation none of the endangered, highly marginalized, marginalized and disadvantaged groups are likely to be affected by land acquisition. Newars and Brahmin/Chhetri are likely to be affected by land acquisition and other project activities especially for substations and the hub. Newars are traditionally business person and are

among the most successful community in the country in this regard. The preliminary assessment of proposed substation (hub) at *Bahrabise phant* (Ramche VDC ward 8) suggests that among 19 land owners of 10 households were identified. The Project may not use all lands and is likely that 7 households will be affected. Nonetheless, among 19 owners 12 were Newars, and the rest Brahmin/Chhetri. Among Newars almost all of them are running their business at Bahrabise bazaar and in Kathmandu. They have their landholdings elsewhere and many of them have houses and land in Kathmandu. More details will be known after completion of detail feasibility survey by NEA which is in progress.

D.4 Chapali Substation

14. With respect to individual projects, Chapali Substation augmentation lies at Chapali Bhadrakali VDC. According to Population Census 2001, the total population of the VDC was 4544 with males 2278 and females 2266. There were 903 households in the VDC according to Population Census 2001. Of the total population 34.8 percent constitute children below 15 years of age and 5.2 percent constituted elderly population aged 60 years and over. Similarly, 60 percent of total population constituted mature population aged between 15 years to 59 years of age. The overall dependency ratio was 66.6 percent with young dependency of 57.9 percent.

15. The land acquired for Chapali Substation is part of Chapali Bhadrakali VDC. As noted earlier an area of 1.53 ha was acquired for the construction activities of substation. The land belongs to people of various social groups (caste and ethnic groups). The caste/ethnic breakdown of the owners of land is given in Table 5. Among total owners nearly one-fourths belong to Newar caste/ethnic group. Chhetri constituted 22 percent owner. Brahmin stood third followed by Tamang and Rai as fourth and fifth.

Table 5: Caste/ethnic distribution of land owners

Caste/ethnic status	Total	%
Newar	19	24.7
Chhetri	17	22.1
Brahmin	12	15.6
Tamang	9	11.7
Rai	6	7.8
Gurung	5	6.5
Dalit	4	5.2
Magar	3	3.9
Others	2	2.6
Total	77	100

Source: Calculated from the list provided by NEA 2011.

16. Among land owners 34 (44.2%) owners were female and the rest male. The case of tenancy was limited to one case (Tamang). More than a dozen cases of joint ownership were recorded. The average loss of land per household was 0.398 *ropani* or 0.0199 ha. Most of the land owners were migrants and do not belong to local vulnerable groups. According to local sources the owners who had traditional background of *janajati* and Dalit were also largely mainstreamed in the urban lifestyles and ways of earning livelihood.

D.5. Kohalpur-Magendranagar Transmission Line Project

17. No socio-economic survey was conducted for Kohalpur-Mahendranagar TL since the 2nd circuit stringing is “grandfathered” under the original project approval process. Bhurigaun substation is part of Neulapur VDC which had 1756 household and 11730 in 2001. The average household size is high in this region at 6.7 persons. The sex ratio is 101.4⁵. The overall literacy (among six years of age and over) was 59.4 percent. Male literacy was 68.4 percent and female literacy 50.3 percent. Literacy figures are higher than the national standard. Likewise Pahalmanpur VDC had 1707 household and 11892 population with

⁵ Male to female.

sex ratio of 102.3 in 2001. The overall literacy (among six years of age and over) was 51.3 percent. Male literacy was 63.7 and female literacy 38.9 percent.

D. 6. New Khimti-Kathmandu 220/400kV Transmission Line

18. The socio-economic information of New Khimti-Kathmandu Transmission Line presented here is based on available census reports and other documents. No information at the level of affected households and affected population is available. The socio-economic survey of affected population is yet to be carried out fully. However, the following figures provide the overall situation of the area and the population.

19. With new route alignment from New Khimti (instead of Gonger, Dolakha earlier), no detail surveys have been carried out. However, based on limited field work and desk study the transmission line (from its starting point at New Khimti to Moolpani, Kathmandu Substation) passes through five districts and 32 VDCs. Table 6 presents the name of districts and number of VDCs covered by the transmission line. Of the five districts affected, the largest number of VDCs is affected in Sindhupalchok district and Dolakha stands second.

Table 6: Districts and No of VDCs Covered by Transmission Line

Districts	No. of VDCs	
Dolakha	8	Melung, Bhedpu, Ghyangsukathokar, Sailungeshwor, Phasku, Katakuti, Magapauwa, Lankuridanda
Sindhupalchok	14	Jethal, Tauthali, Tekanpur, Ghuskun, Karthali, Barhabise, Ramche, Mankha, Fulpingdada, Kadambas, Irkhu, Sanusirubari, Thulosirubari, Bhotesipa
Kavrepalanchok	4	Chandeni Mandan, Mahadevsthan, Nayagau Deupur, Baluwapati Deupur
Bhaktapur	4	Nagarkot, Changunarayan, Chhaling, Duwakot
Kathmandu	2	,Suntol, Moolpani
Total	32	Twenty two

Source: Survey Team and Desk Study, 2011.

D. 7. Demographic Condition of the Affected VDCs

20. According to 2001 population census the total population of 29 VDCs was 141324 (Information for Phasku, Katakuti and Magapauwa VDCs of Dolakha have been missing since census undertaking was disturbed there in 2001). Of the total population males constituted 49.3 % and females 50.7 %. The sex ratio was 97.2. Sindhupalchok shares that largest proportion of population (44.8%) and Kathmandu the lowest (7.3%). Table 7 presents the total population and sex composition of population by districts and by VDCs.

Table 7: Population and Households by VDCs

District and Name of VDCs	Population			Households	
	Total	Male	Female	Total	HH size
Dolakha District					
Melung	4413	2151	2262	826	5.3
Bhedpu	4216	1961	2255	907	4.7
Ghyangsukathokar	4600	2143	2457	997	4.6
Sailungeshwor	2183	1059	1124	437	5.0
Phasku	na	na	na	Na	na
Katakuti	na	na	na	Na	na
Magapauwa	na	na	na	Na	na
Lankuridanda	4508	2264	2244	830	5.4
	19920	9578	10342	3997	5.0
Sindhupalchok District					
Jethal	2882	1406	1476	574	5.0

Tauthali	3886	1951	1935	791	4.9
Tekanpur	1837	858	979	412	4.5
Ghuskun	3743	1859	1884	728	5.1
Karthali	3690	1850	1840	755	4.9
Barhabise	7387	3821	3566	1521	4.9
Ramche	3711	1916	1795	737	5.0
Mankha	8502	4261	4241	1721	4.9
Fulpingdada	4997	2488	2509	966	5.2
Kadambas	3780	1811	1969	695	5.4
Irkhu	3310	1596	1714	597	5.5
Sanusirubari	3825	1871	1954	719	5.3
Thulosirubari	6770	3283	3487	1205	5.6
Bhotesipa	4951	2432	2519	879	5.6
	63271	31403	31868	12300	5.1
Kavrepalanchok District					
Chandeni Mandan	3871	1838	2033	781	5.0
Mahadevsthan	8612	4200	4412	1674	5.1
Nayagau Deupur	4919	2354	2565	889	5.5
Baluwapati Deupur	6365	3262	3103	1086	5.9
	23767	11654	12113	4430	5.4
Bhaktapur District					
Nagarkot	4247	2125	2122	799	5.3
Changunarayan	5858	2905	2953	1104	5.3
Chhaling	7674	3720	3954	1491	5.1
Duwakot	6290	3206	3084	1170	5.4
	24069	11956	12113	4564	5.3
Kathmandu District					
Suntol	4417	2161	2256	857	5.2
Moolpani	5880	2919	2961	1148	5.1
	10297	5080	5217	2005	5.1
G. Total	141324	69671	71653	27296	5.2

Note: The Figures in this table are based on Population Census 2001. Informations for Phasku, Katakuti and Magapauwa VDCs of Dolakha have been missing since census undertaking was disturbed there in 2001.

21. There are a total of 27296 households in the 29 VDCs of five districts. Average number of households per VDC was 941. It ranges from 412 in Tekanpur to 1721 in Mankha, Sindhupalchok. The average household size was 5.2 persons. Compared with VDCs of other district, the household sizes were smaller in the VDCs of Dolakha district. These averages are lower than the national average of 5.4 persons.

D.8 Socio-economic Condition of the VDCs

22. The overall literacy status of the VDCs is poor. Among total population aged six years and above less than 50% was literate. This figure is lower than the national average of 54 %. With an increase in the distance from Kathmandu the level of literacy decreases. The average literacy of VDCs in Dolakha was only 35.5 %. Likewise, the overall literacy of VDCs falling under TL was 45.8 % and 50.0 %, 63.0 % and 61.5 % respectively for Sindhupalchok, Kavre, Bhaktapur and Kathmandu district. The literacy of Suntol VDC of Kathmandu is relatively low given its distance from the capital city. As a result, the overall literacy of VDCs of Kathmandu appears lower compared with that of Bhaktapur. Table 7 provides the literacy status of population by VDCs.

23. A large proportion of school age children were reported not attending school. This was more so in the VDCs of Sindhupalchok and Dolakha. This is partially because many young children who attended Gumba and other religious centers were not recorded in the formal schooling records. Akin to literacy the proportion of not attending schools increases with an increase in the distance from Kathmandu and/or the district headquarters. The details by VDC are given in Table 8.

Table 8: Some Socio-economic Indicators of VDCs Falling under Transmission Line

District and Name of VDCs	Percent literate (6 yrs of age and over)	Percent not attending school (%)	Percent economically active (10 yrs of age and over)	Percent households having non-agricultural economic activities
Dolakha District				
Melung	43.1	30.6	77.0	7.6
Bhedpu	38.2	29.3	81.9	3.2
Ghyangsukathokar	23.5	36.2	83.2	1.2
Sailungeshwor	35.9	23.3	70.5	2.3
Lankuridanda	36.6	42.9	52.2	5.3
Sindhupalchok District				
Jethal	62.3	30.8	71.5	21.6
Tauthali	41.9	29.6	71.7	10.4
Tekanpur	47.1	40.7	65.5	26.9
Ghuskun	47.7	47.2	81.6	11.1
Karthali	39.1	47.6	68.7	7.6
Barhabise	51.6	34.5	70.9	35.1
Ramche	49.4	25.3	77.5	28.5
Mankha	47.6	34.9	71.0	20.1
Fulpingdada	59.5	29.9	56.2	12.6
Kadambas	45.1	38.6	71.8	5.8
Irkhu	33.0	47.1	80.1	1.2
Sanusirubari	46.9	37.7	63.6	16.1
Thulosirubari	35.6	47.0	80.6	13.0
Bhotesipa	35.0	49.1	79.2	9.7
Kavrepalanchok District				
Chandeni Mandan	46.0	39.7	82.2	11.7
Mahadevsthan	55.7	40.1	57.7	18.5
Nayagau Deupur	47.9	36.5	69.3	8.7
Baluwapati Deupur	46.3	45.9	72.1	19.1
Bhaktapur District				
Nagarkot	59.7	29.1	75.3	31.4
Changunarayan	61.9	31.7	62.3	53.1
Chhaling	67.8	23.4	59.2	24.8
Duwakot	60.4	20.1	49.5	24.1
Kathmandu District				
Suntol	48.0	42.5	79.0	29.1
Mulpani	71.5	21.4	69.6	11.7

Note: The Figures in this table are based on Population Census 2001. Informations for Phasku, Katakuti and Magapauwa VDCs of Dolakha have been missing since census undertaking was disturbed there in 2001.

24. The proportion of economically active population 10 years of age and over ranged from 83.2 % (Ghyangsukathokar) to 49.5 % (Duwakot). The reason for lowest proportion of usually economically active population in Duwakot is not known. On average more than 72 % population is accounted for being economic active during the year.

25. The whole transmission area is inhabited by rural agrarian population. More than 80 % households depend upon agriculture (and livestock) for their livelihood. However some households have carried out small scale non-agricultural economic activities such as manufacturing, trade/commerce, services, transport activities and other similar activities. There are areas such as Barhabise, Ramche, Tekanpur and Kuntabesi in Sindhupalchok, Changunarayan and Nagarkot in Bhaktapur where a sizeable proportion of households earn their living through non-agricultural activities. Whereas Changunarayan and Nagarkot are part of touristic and historic places; there are market centers in Barhabise and Ramche.

26. Table 8 (last column) presents the % of households having small scale non-agricultural activities by VDCs and by districts. This includes small businesses, catering, knitting and weaving woolen items and services. In Dolakha district, very small number of households engaged in small scale non-agricultural

activities. In Sindhupalchok district sizeable proportion of households in VDCs such as Barhabise, Mankha and Ramche are engaged in non-agricultural activities. Some of them have the advantage of road-network e.g., Barhabise, to run business. Of all the VDCs of five districts affected by transmission line the VDCs of Bhaktapur demonstrate more households engaged in non-agricultural activities.

27. The above scenario reflects the VDC situation. The specific impact of the transmission line on vulnerable groups in particular is not available at this stage, likewise the analysis of resettlement impact on gender and other social groups. However, given the linear nature of project with the impact mainly on restriction of particular land use plus most part of the affected area being rural, the social and resettlement impacts are expected to be minor.

E. Information Dissemination, Consultation, Participatory Approaches, and Disclosure

28. Public consultations during the IEE or social survey, consultations during compensation fixation, participation in various meetings of project activities are integral requirements under the Environmental Protection Act, 1996. During the socio-economic surveys, focus group discussions are held in all projects. A resettlement and rehabilitation plan will be formulated in consultation with the affected people in a participatory manner. All project related information and documents have been and will be shared with affected people, the community and other stakeholders.

29. For the Chapali Substation Project the formal documents of consultations carried out during site selection, resettlement, rehabilitation and compensation are not yet available. However, according to NEA, the formal and informal consultations and discussions were held with the local people during all stages from site selection to compensation fixation and payment process. National dailies, public places were also used for notifications and disclosure requirements. Further consultation with neighborhood community and participatory approaches are planned during the construction.

30. As part of the IEE for the Kohalpur-Mahendranagar Transmission Line Project, public consultation meetings were held at Suda, Jhalari, Geta, Chaumala, Pahalmanpur, Muda bazaar, Lamki, Bhurigaun and Basgadi bazaar during the first week of June 2011. Further consultation and follow-up during substation site selection, land acquisition, and compensation will be carried out for two substations. Table 9 lists a few consultations carried out during the PPTA at the field level. The local people were positive about the project. However, some of their concerns include timely and fair compensation, proper consultation, employment in the project activities and the need for community support.

Table 9: Consultation Meetings at Various Locations

Venue	Type of stakeholders	No of participants	Purpose of meeting	Issues raised
Date: June 21, 2011				
Bhurigaun, Neulapur VDC, Bardiya district	Community leaders, Buffer Zone Community Forestry Chair, Land owners, User Committee, School teacher, PPTA Consultants	14	Possible site for substation, Impacts, employment issue, gender, livelihood issues, perception about the Project	Very positive to have sub-station there, Fair and timely compensation payment, Creation of employment opportunities, Task to be carried out as early as possible, the risk of delayed process
Date: June 22, 2011				
Lamki chok, Pahalmanpur VDC, Kailali district	Community leaders, Market center development Committee members, Land owners, User	20	Possible site for substation, Impacts, employment issue, gender, livelihood issues, perception about the Project	Very positive to have sub-station there, Fair and timely compensation payment, Creation of employment

	Committee, School teacher, local elderly, PPTA Consultants			opportunities, Task to be carried out as early as possible, the risk of delayed process
September 1, 2011				
Ramche 8, Sindhupalchok	Local residents, land owners of Bahrabise phant, vulnerable community members from nearby settlement, PPTA Consultants	7	Possible site for substation, Impacts, employment issue, gender , livelihood issues, perception about the Project	Scarcity and expensive nature of land, the need for more consultation, Compensation at market value, Timely compensation payment, Support to local community
September 2, 2011				
Bahrabise, Sindhupalchok	Local business person, Land owners, PPTA Consultants	7	Possible site for substation, Impacts, employment issue, gender , livelihood issues, perception about the Project	Scarcity nd expensive nature of land, the need for more consultation, Compensation at market value, Timely compensation payment, Support to local community

31. The resettlement plan for the New Khimti- Kathmandu TL will follow all necessary steps of consultation; information disclosure and grievance redress mechanism as per the regulations of government of Nepal and social safeguard policies of the Asian Development Bank. In particular, NEA will conduct meaningful consultation with affected persons, their host communities, and civil society for every project components (particularly substations and RoW) identified as having involuntary resettlement impacts. Meaningful consultation refers to a process that: i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; iii) is undertaken in an atmosphere free of intimidation or coercion; iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Consultation will be carried out in a manner commensurate with the impacts on affected communities. NEA will pay particular attention to the need of disadvantaged or vulnerable groups, especially those below the poverty line, the landless, the elderly, female headed households, women and children, adivasi janajati, and those without legal title to land.

32. Monthly reporting in Nepali will ensure that the public and stakeholders are informed of project activities. The RP also envisages the implementation of awareness programs and community development activities especially to support the vulnerable community in the vicinity of project component even if these communities are not directly affected by the project through land acquisition. The workers will be instructed to act in a responsible manner during and after the working hours, respecting the rights, property and practice of local people. The awareness program will incorporate the problem associated with social and cultural disintegration and awareness against girls trafficking and sexually transmitted diseases, proper use of compensation money, type of jobs available in project, importance of project with regards to local and national context. In case indigenous households are affected by the project, they will get due priority in such programs. Organization of lectures, distribution of pamphlets, audiovisuals, posters and mobilization of local NGOs will be the methods to be adopted for conducting awareness program.

33. NEA will provide relevant resettlement information, including information from monthly reports, all updates of resettlement plan and other relevant information in a timely manner, in an accessible place

and in a form and language understandable to affected persons and other stakeholders. In case there is no impact and no RP, the NEA will make disclosure of the same informing the main villages, VDC office and Ward office, local schools, health posts, market places along the corridor that no land or structure, irrespective of their title will be affected by any activities of this project.

F. Grievance Redress Mechanisms

34. Grievance redress mechanism will be established to allow project affected persons/households (PAPs/HHs) to appeal any disagreeable decisions, practices and activities arising from compensation for land and assets. The APs will be made fully aware of their rights and the procedures. There is a possibility of two types of grievances: grievances related to land acquisition and resettlement requirements, and grievances related to compensation or entitlement. The APs will have access to both locally constructed grievances redress committees i.e. LCF, CDC and the Ministry, and formal courts of appeal system. Under the latter system every AP can appeal to the court if they feel that they are not compensated or entitlements are not provided for appropriately. They may appeal to appellate court within 35 days of the public notice given to them.

35. A grievance recording register will be maintained at the Environment and Social Management Unit established at site and at Project Managers Office. Project affected people as well as local people can lodge their complaints at the Unit related to compensation, entitlement and construction related activities. Special project grievance mechanisms such as on site provision of complain hearings allow project affected persons and communities to interface and get fair treatment on time. The project authority will ensure that funds are delivered on time to CDC and the implementing partners for timely preparation and implementation of social activities, as applicable. The compensation issues and rehabilitation measures will be completed before civil work starts. Civil works contracts will not be awarded unless required compensation payment has been completed.

36. APs and community will be exempted from all administrative fees incurred, pursuant to the grievance redressal procedures except for cases filed in court. Proposed mechanism for grievance resolution will be as follows:

Stage I

Complaints of APs and community on any aspect of compensation, relocation, or unaddressed losses of private and community property shall in first instance be settled verbally or in written form in field based project office on sites. The complaint can be discussed in an informal meeting with the APs and project's Land Acquisition and Rehabilitation Unit or the Environment and Social Development Unit. The Land Acquisition and Rehabilitation Officer will be responsible to handle the grievances at this stage. This Unit will be created within the Project Director/ Manager Office at NEA. The Unit will be solely responsible to be in close contact with all affected people and public and hear record and formally file their complaints in the registers on a regular basis. The Unit will carry out necessary inquiry and verification regarding redressal of the issue within 7 days of complains registered.

Stage II

If issue is not addressed within 7 days of written application to the satisfaction of APs they can file formal type-written complain to HDD Environment and Social Management Unit. While lodging the complaint, the AP and community must produce documents to support their claim. The Social Development/ Resettlement Expert of the Unit will carry out field observation and discuss the issue with Project Director/Manager through the Coordinator. If issue is still not resolved to the satisfaction of both the parties the issue will be discussed in Local Consultative Forums (LCFs). The LCF will be established in each district to handle initial grievances of the project affected people and community and will be based in appropriate project site/ location of the district to provide easy access to the people. Although formed at district level, the LCF will be led by VDC Chair or a locally respected person with other members being the VDC representatives and AP representative and will be inclusive in nature i.e., with adequate representatives of female, *Dalits*,

Janajatis etc. The numbers of the LCF, however, may be subject to vary in different districts depending upon the number of VDCs that are located within the TL corridor.

The ESMU will coordinate the meetings with LCF and come up with amicable solutions acceptable to all parties. The LCF will play key roles in public consultations, grievance handling/ managing at local level, participate proactively in planning and implementation process and key decision making matters that contribute to better outcomes and performances, especially in RP implementation. The issue thus brought to LCF will be resolved within 15 days from the date of the complaint received.

Stage III

If no understanding or amicable solution is reached or no response from the project office, the APs or community can appeal to the CDC, particularly if the issue is related with loss of private assets and compensation. As a formal body with legal standing, all other relevant complaints/ grievances not resolved at earlier stages, may also be registered with CDCs for timely resolution. While lodging the complaint, the AP and community must produce documents to support their claim. The CDC will come up with acceptable decision within 15 days of registering the appeal. For other unresolved social and environmental issues APs or community can appeal to Ministry of Environment. The Ministry may address the issues as per Environment Protection Regulations 2054 (clause 45) of the Government of Nepal.

Stage IV

If the APs and local community are not satisfied with the decision of CDC and the Ministry of Environment or in absence of any response of its representatives within 35 days of the complaint, the APs and community may submit their case to the District Court. The decision of the court will be acceptable to both parties.

G. Resettlement Policy and Framework

G-1 National Social Safeguard Policies and Legislation

37. Issues of asset acquisition and resettlement in any development project are fundamental since people have sovereign human rights derived from national and international law. Nepal currently lacks comprehensive resettlement and social safeguard policies. Article 19 of the *Interim Constitution of Nepal, 2063* (2007) establishes the right to property as a fundamental right. All Nepalese citizens are guaranteed the right to acquire, own, sell and otherwise dispose their property. No person shall be deprived of his/her property except for broader public interest. In conditions where the State acquires or establishes its rights over individual's property for public interest and/or in the course of implementing scientific land reform, it shall compensate for the loss of property. The basis of compensation and the procedures for delivering compensation for any property acquired by the State shall therefore be as prescribed by the law⁶.

38. The *Land Acquisition Act 2034 (1977)* is the main legislation related to social safeguards of the project affected household and the community. It empowers the government of Nepal to acquire any land, on the payment of compensation for development works of broader public interest (*sarvajanik hit*). Under the Act the acquisition and compensation of privately-owned assets are undertaken according to a formal procedure, consisting of (a) initial procedures, (b) a preliminary investigation process, (c) acquisition notification, (d) compensation, and (e) appeal procedures. The Act has provision of Compensation Determination Committees (CDCs) at district level to ascertain compensation rates for land and other assets to be acquired. The compensation must be paid (i) for damages caused as a result of investigations during the preliminary investigation process, and (ii) for land and assets permanently acquired by the project (including standing crops, trees, and houses). The Act provides that compensation be paid in cash, although titleholders who have lost all of their landholdings may be given replacement land, if available. Two separate rates of compensation can be paid (i) to titleholders who lose all their land, and (ii) to titleholders who lose only some portion of their land and/or asset. The Land Acquisition

⁶ This provision of the constitution refers to the existing Land Acquisition Act 2034 and any others to be developed by the government of Nepal.

Rule 2026 (1969) has not been updated to date but it emphasizes that the CDC has to take into account the prevailing market value of the nearby land to fix the compensation rates of affected land and other assets.

39. As noted earlier the Government of Nepal has declared 59 groups as Indigenous population (IP) or Adivasi *Janajatis* with categorized into five groups. The interim constitution states its commitment for the protection, preservation and promotion of language, religion and culture, affirmative action for IPs and vulnerable groups. The preliminary assessment so far suggests that the magnitude of the project impacts on IPs is marginal and none of the projects are like to have adverse impacts on customary rights of use and access to land and natural resources and has undermined indigenous knowledge and customary institutions. Thus, specific actions in favor of the *janajati* and vulnerable people have been integrated in the Resettlement Plan.

G-2 ADB Resettlement Policy

40. The guiding principles of ADB's Safeguard Policy Statement (2009) on involuntary resettlement include (i) to avoid involuntary resettlement wherever possible; (ii) to minimize involuntary resettlement by exploring project and design alternatives; (iii) to enhance, or at least restore, the livelihoods of all DPs in real terms relative to pre-project levels; and (iv) to improve the standards of living of the displaced poor and other vulnerable groups. The safeguard policies involve a structured process of impact assessment, planning, and mitigation to address the adverse effects of projects throughout the project cycle. The involuntary resettlement safeguards covers physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (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. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary. The safeguard policies require that (i) impacts are identified and assessed early in the project cycle; (ii) plans to avoid, minimize, mitigate, or compensate for the potential adverse impacts are developed and implemented; and (iii) affected people are informed and consulted during project preparation and implementation. The implementation processes follow the sequence: (i) screening and scoping of the main issues start as soon as potential projects for ADB financing are identified and continue throughout the project cycle; (ii) impacts are assessed, safeguard plans summarizing mitigation measures, monitoring program, and institutional arrangements are prepared, and arrangements are made to integrate safeguards into project design and implementation; (iii) affected people are consulted during project preparation and implementation and information is disclosed in a form, manner, and language accessible to them; and (iv) safeguard plans are disclosed to the general public and the information is updated at various stages in the project cycle. In addition ADB's safeguard policies require that both ADB's and DMCs' safeguard requirements are complied with.

G-3 The Project Policy Framework

41. The 'Land Acquisition, Compensation and Resettlement Policy 2067' of Nepal is yet to be finalized. Thus, there is no option but to develop project specific policies incorporating the requirements of donor agencies. The objectives of the resettlement framework are i) to avoid land acquisition and involuntary resettlement, and ii) to minimize it where it is unavoidable, and iii) to ensure that affected persons (AP) receive full compensation and assistance so that they would be at least as well off as they would have been in the absence of the project. Thus, based on the above analysis of applicable legal and policy frameworks of the country and in consistent with ADB's social safeguards policy requirements the broad resettlement principle for the projects and subprojects carried out by NEA shall be the following:

- Involuntary resettlement would be avoided wherever possible or minimized as much as possible by exploring project and design alternatives.
- The project or all subprojects will be screened to identify past, present, and future involuntary resettlement impacts and risks. The scope of resettlement planning will be determined through a

survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.

- Meaningful consultations with affected persons, host communities, and concerned non-government organizations will be carried out and all displaced persons will be informed of their entitlements and resettlement options. AP's participation in planning, implementation, and monitoring and evaluation of resettlement programs will be ensured.
- Particular attention will be paid to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and *adivasi janajati* (indigenous peoples), and those without legal title to land, and ensure their participation in consultations.
- An effective grievance redress mechanism will be established to receive and facilitate resolution of the affected persons' concerns. The social and cultural institutions of displaced persons and their host population will be supported through proper planning. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- The livelihoods of all displaced persons will be improved or at least restored through i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, ii) prompt replacement of assets with access to assets of equal or higher value, iii) prompt compensation at full replacement cost for assets that cannot be restored, and iv) additional revenues and services through benefit sharing schemes where possible.
- Physically and economically displaced persons will be provided with needed assistance, including i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and iii) civic infrastructure and community services, as required.
- The standards of living of the displaced poor and other vulnerable groups, including women, will be improved to at least national minimum standards. In rural areas legal and affordable access to land and resources will be provided, and in urban areas appropriate income sources and legal and affordable access to adequate housing will be provided to the displaced poor.
- If land acquisition is through negotiated settlement, procedures will be developed in a transparent, consistent, and equitable manner to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status. If, however, the negotiated settlement fails, the normal procedure of land acquisition will be followed.
- Displaced persons without titles to land or any recognizable legal rights to land will be ensured that they are eligible for resettlement assistance and compensation for loss of non-land assets.
- A resettlement plan will be prepared elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- The draft resettlement plan, including documentation of the consultation process will be disclosed in a timely manner, before project appraisal, in an accessible place and in a form and language(s) understandable to affected persons and other stakeholders. The final resettlement plan and its updates will also be disclosed to affected persons and other stakeholders.

- Involuntary resettlement will be conceived and executed as part of a development project or program. Full costs of resettlement will be included in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- All compensation will be paid and other resettlement entitlements will be provided before physical or economic displacement. The resettlement plan will be implemented under close supervision throughout project implementation.
- Resettlement outcomes, their impacts on the standards of living of displaced persons will be monitored; it will be assessed whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Monitoring reports will be disclosed to APs.
- Land acquisition for the project would be done based on applicable provisions of LAA, 2034 (1977).
- The uneconomic residual land remaining after land acquisition will be acquired as per the provisions of Land Acquisition Act. The owner of such land/property will have the right to seek acquisition of his entire contiguous holding/ property provided the residual land is less than the average land holding of the district.
- People moving in the project area after the cut-off date will not be entitled to any assistance. The cut-off date for eligibility for compensation and assistance under the Resettlement Policy will be the date of the census survey of affected households and affected assets or the date of publication of preliminary notification for acquisition under the provisions of the Land Acquisition Act, 2034 as decided by NEA. However, for APs occupying public land (the non-title-holders) they have to have lived there with structures or cultivated the land for at least 3 years prior to the cut-off date mentioned above (i.e., census survey date) in order to be eligible for resettlement and rehabilitation support.
- In case of land acquisition, will be treated as the cut-off date. For non-titleholders the date of project census survey or a similar designated date declared by the executing agency will be considered as cut-off date.
- All common property resources (CPR) lost due to the project will be replaced or compensated by the project.
- The project shall assist resettlers if any, to integrate socially and economically into host communities so that adverse impacts on host communities are minimized. Benefits shall also be provided to host communities and remaining communities to ensure fairness and avoid unnecessary problems caused by large differences in allocation of infrastructure or services or other rehabilitation measures.

42. The project will recognize three types of displaced persons like (i) persons with formal legal rights to land lost in its entirety or in part; (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws; and (iii) persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. The involuntary resettlement requirements apply to all three types of displaced persons.

H. Entitlements, Assistance and Benefits

43. The entitlements, assistances and benefits to be adopted for the projects are discussed under three headings. These are:

- The Units of Entitlement
- The Categorization of Affected Persons
- The Types of Entitlements

H.1 Units of Entitlement

44. The Entitlement Policy specifies compensation and/or rehabilitation measures for two major units of entitlement: individuals (i.e. affected individuals and their households) and communities or groups. The **individual** category includes affected persons (APs) as individuals (men and women) and the household who may suffer one or a combination of the following losses: i) all or part of residential land; ii) all or part of cultivated land, forestry land, and/or grazing land (titleholders and registered and non-registered tenants); iii) all or part of *guthi* (trust) land; iv) loss of crops or trees on temporary or permanently affected land; v) all or part of residential structures (titleholders, tenants, encroachers and landless squatters); vi) all or part of commercial structures (titleholders, tenants, encroachers and landless squatters); vii) rented accommodation (renter); viii) all or part of other structures (titleholders, tenants, encroachers and landless squatter); and ix) income sources and income-earning capacity (e.g. farmers, commercial establishment owners). Likewise, the project affected family includes persons of the household suffering any of the above-mentioned losses. The unit of entitlement for compensation will be the titleholder or household head, or heir(s), in the case of the loss of privately owned assets and resources. For displacement allowances the unit of entitlement will be each household member. For the rehabilitation assistance, the unit of entitlement will be the household (PAF). For example, in some cases, household subsistence and survival strategies may be disrupted through the loss of land or business enterprises. In these cases the rehabilitation assistance will be provided to the household. Some rehabilitation measures such as the provision of employment will be extended to adult family members. The **community** or **user groups** will be the unit of entitlement for measures to re-establish community structures such as burial sites (*ghat*), temples, irrigation canals, transport lines etc, as well as compensation for loss of community forests.

45. The project may also have indirect, less-quantifiable or unforeseen effects on people living within the affected area or in the vicinity of the project. Potential negative impacts may include reduced access to natural resources or social services, impacts on water supply and irrigation systems, or changes to local employment practices. For example, people living close to substation site may suffer from reduced access to agricultural wage work. Where these impacts occur, they will be mitigated under the project.

H.2 The Categorization of Affected Persons

46. The severity of project impacts due to acquisition of land and other assets is not equal for all the affected persons. While some households may be only marginally affected by losing a fraction of land or income, others may lose significant amounts of land or residential house or both. Thus, for convenience of determining entitlements, projects may distinguish households into those having serious impacts, and those with marginal impacts. This will help in the determination of rehabilitation assistance.

47. It is helpful to differentiate two types of losses: significant and marginal impact, namely the loss of income generating assets and the loss of a home: i) APs having significant impact and ii) APs having less than significant impacts. For the purpose of this RP, the significance of impacts experienced by an AP is also used to establish certain entitlements. The category used in the Entitlement Matrix is that of the “**Seriously Project Affected Family** – SPAF”. This category is defined as follows:

Affected persons and those living with them in the same household are addressed as SPAF when they are either physically displaced from their housing, and/or are having 25% or more of their productive, income-generating assets lost.

48. According to the first part of this definition, APs who lose their residential house and as a result have to be displaced from the house due to project activities will be considered as having significant impact. In

the rural setting of the Project area, the income generating assets addressed in the second part of the definition will usually comprise of the AP's landholdings in the project area. Therefore, APs losing 25 percent or more of their landholdings (owned and operated) in the project area can be classified as having a "serious" or "significant" impact. It may be debated to specify a flat cut-off percentage because case-specific realities may be different. For the Resettlement Plan of the Project, it is suggested to take this general threshold into consideration, which however may be adjusted within a range of five percent. However, differentiation based only on a percentage of land loss potentially ignores or simplifies complex socio-economic processes (e.g. in urban areas). Therefore, should it occur that other income sources are affected as a result of the Project's construction or operation to an extent that causes a severe loss of livelihood, such APs will also be addressed as SPAF under this RP. Depending upon the local reality encountered during project execution the RP should be updated in consultation with Local Consultative Groups (LCGs) and the Compensation Determination Committees (CDC), who may propose additional criteria to categorize APs whose production levels are severely affected and need special assistance.

49. Titleholders who lose less than 25 percent of their total landholdings in the project area or whose production levels are less than severely affected by the loss of land will be considered affected persons/families in general or **APs having less than significant impact**. This also includes persons who due to acquisition of land or other community resources by the project lose livelihood options, business or income. Likewise it also includes those who have indirect, less quantifiable impact.

H.3 Types of Entitlements

50. Compensation for the lost assets to all affected persons will be paid on the basis of replacement cost. Resettlement assistance for lost income and livelihoods will be provided to both title holders and non-title holders. Special resettlement and rehabilitation measures will be made available to the severely affected households, and vulnerable groups comprising of indigenous people and Dalits, women headed households (WHH) and the physically handicapped (PH) households. The losses and impacts due to project activities have been categorized into nine categories including unanticipated impacts. These include i) land, ii) structures, iii) trees and crops, iv) income and livelihood, v) government land and property, vi) community and cultural sites, vii) temporary loss, viii) vulnerable households, and ix) unanticipated impacts. Details of types of loss, definition of APs, entitlement and their details of compensation and assistance packages are given in **Entitlement Matrix** (Table 10).

There will be two categories of entitlement: i) compensation, and ii) assistance.

Compensation

51. Compensation shall be provided to the affected families for all types of losses. The loss of all kinds of privately owned land will be compensated. The compensation for land and structures will be based on market/replacement value. The main land types in Nepal include *khet* (irrigated land relatively gently sloped or located in the valley used for paddy rice and wheat production), and *bari* (unirrigated land situated mostly in hill slopes and used mainly for rain-fed production of crops). Another category such as *ghaderi* (residential/commercial land) is also in use which is further categorization of *bari* land used or to be used for homestead purpose. In terms of ownership there are privately owned land and *guthi* (trust) land. Both these categories of land will be compensated. Individual titleholder for privately owned land will be entitled for full compensation and the *guthi* land will be compensated as per *Guthi Corporation Act 2033 (1977)*.

52. Non-registered tenant farmers should be assisted to become registered tenants wherever possible. This requires a formal agreement to be signed between the tenant and the titleholder. If the agreement is formalized, the tenant will be entitled to compensation as a registered tenant. Those who remain non-registered tenants (i.e. those with non-legalizable claims to the land) and who have cultivated the affected land for at least 3 years prior to the cut-off date (to be validated by VDC) and who do not have title to any other land, will be entitled to allocation of land if *ailani* or other government land is available, as determined by the concerned authority in the district. This group will also be entitled to rehabilitation assistance. Wherever possible, the spouse of the affected person (household) should be present during

the compensation payment.

53. APs having significant impacts will in addition to compensation for their lost assets be entitled to shifting assistance and also rental assistance if the impact is due to loss of residential house. In case of vulnerable groups there will be additional assistance.

For temporarily acquired land for the construction works of the project, the project will make a temporary occupation contract with the concerned APs. The contract will specify the details of the occupancy period, conditions for use and returning of the land, and the amounts of compensation to be paid. Compensation and restoration of land if already temporarily acquired for some works should be made retroactively.

54. The acquisition of communal land does not result in compensation payments for the land. Where communal land (e.g. grazing land) is affected and acquired by the project, the Department of Agriculture and, if trees are affected, the Department of Forestry will be consulted for assistance to the affected communities with the aim to mitigate the loss of resources used by the community. This is in view of the improvement of remaining grazing areas and fodder resources to ensure that pre-project levels are maintained or improved upon. Where required, these support programs will be funded by the project.

55. Owners of houses and other structures such as *goth* (sheds), walls, water mills and other structures shall be compensated in cash, for full or partial losses, at replacement cost as determined by the CDC. This will include titleholders and tenants on private land, and encroachers and landless squatters occupying public land at the time of the *eligibility cut-off* date for each project component and sub-component. If there are structures that could be re-installed at a new site, the transport and re-installation cost shall be provided by the project. Furthermore, structures that are partially affected only shall be entitled to the cost of repairing the structure in addition to compensation for affected materials at replacement cost. Compensation for land and structures should be paid in one lump sum. It should be paid on the spot. This is to avoid APs travel to the district office. Owners will have the right to salvage materials from the affected buildings. The value of salvaged materials will not be deducted from the final compensation amount. The loss of trees and crops shall be compensated at market value.

Assistances

56. The assistance includes resettlement assistance, shifting assistance including housing displacement assistance equivalent to 3 months wages to adult members of the households, rental assistance, and additional assistance to vulnerable and severely affected households, alternative facilities and technical assistance.

57. Displaced owners (i.e. titleholders, tenants in own accommodation, and encroachers & squatters on public land) of houses and commercial establishments to be relocated shall be provided shifting allowances as described in the entitlement matrix. Households that are displaced from their rented accommodation, will not be entitled to compensation for the (non-owned) structure, but will also be entitled to the shifting assistance.

58. Owners of commercial enterprises who are required to relocate shall receive displacement assistance equivalent to 3 months wages (minimum wage) as established at the national or local level, whichever amount is higher.

53. In order to replace the loss of farmland, if any affected household purchases farmland in another place within 1 year from the date of receiving compensation, the land registration fee for the purchased replacement land of equal amount or price, shall be paid by the Project as part of resettlement assistance. This option should be equally applicable in urban areas as well.

59. Displaced households of rented accommodation also shall receive, in addition to the shifting assistance, a *rental assistance* equal to 30 days wage amount as established at the national or local level, whichever amount is higher; to be paid before relocation.

60. APs (SPAFs) shall have access to *agricultural extension services* to increase production on their remaining agricultural and other land. The Department of Agriculture and Forest and Soil Conservation shall be requested to assist APs of the Project. Any costs to this effect shall be borne by the project.

61. Apart from the provision of shifting assistance, APs with severe impact (SPAFs) and vulnerable groups will have additional assistance such as

- *Counselling* regarding project impacts, compensation alternatives and risks and resettlement options including reinvestment of their compensation in other productive assets, specifically with the identification and purchase of suitable privately owned cultivation land in the vicinity (where required);
- *Counselling* on saving schemes and cash management;
- *Assessment* of current economic activities and potential for improvement of these activities, as well as alternative income-earning opportunities;
- *Preferential access* to project construction jobs

62. APs over 18 years of age facing significant impact shall be entitled to some *skills training* that would help in obtaining employment and/or earning livelihood. Similarly, the IPs, female and elderly headed and *Dalit* households losing land will be supported for reestablishment and improvement of livelihood. This assistance will include life-skill training in areas of masonry, basic plumbing, house wiring, gas welding, fabrication, driving, tailoring as per their interest and livestock/agriculture training to one member of each household and assistance through provision of hybrid seed, small agriculture tools and goat/pig, poultry.

The efforts shall be made to tie training to definite employment opportunities. APs that undergo training as resettlement assistance shall be supported by the project. The project will facilitate the assessment and, where feasible, establishment of *small-scale income-generating schemes* for APs having significant impact and the vulnerable groups. Similarly, the project shall investigate the potential for co-ordination with existing programs in order to provide assistance to gain *access to national poverty alleviation and credit programs*.

63. As per the Resettlement Plan the project will ensure not to discriminate the local people based on their gender, caste, colour and place of origin. Local women will be hired to the extent possible. Similarly, priority to the job opportunity will be provided to the vulnerable group in the project area in order to raise their living standard.

64. Extreme care should be taken by contractors to avoid damaging public and private property during construction. Where damages do occur to public or private property as a result of construction works, the contractor shall be required to pay compensation immediately to affected families, groups, communities, or government agencies for damages to crops and trees. Damaged land, structures and infrastructure shall be restored immediately to their former conditions.

65. Depending upon the local reality encountered during project execution the resettlement plan should be updated in consultation with Local Consultative Forum (LCFs) and the Compensation Determination Committees (CDC), who may propose additional criteria to categorize APs whose production levels are severely affected and need special assistances.

Table 10: Entitlement Matrix

Type of Losses	Definition of APs	Entitlement	Details
1. Land			
Loss of agricultural land	<p>Titled owners</p> <p>Affected persons (APs) with traditional land rights</p>	<p>Compensation based on market/replacement value</p> <p>Resettlement assistance</p> <p>Additional Assistance to vulnerable¹ APs</p>	<p>In case of compulsory acquisition of land, compensation will be based on market value.</p> <p>The CDC the Land Acquisition Act will include VDC representative and representatives (one female and one male) as invitees in the Committee</p> <p>In case of land to be possessed by the project authority with mutual and voluntary consent of the affected people, compensation will be paid on estimated market price as decided by the CDC.</p> <p>Transaction costs (documentary stamps, registration costs, etc.) will be borne by the project authority during registration.</p> <p>If the residual plot(s) is (are) not viable, e.g., less than 0.5 <i>ropani</i>⁷ in rural areas, or 2.5 <i>ana</i> in urban area,, resettlement assistances will be paid in the form of transitional allowances or <i>cultivation disruption allowance</i> based on three months of minimum wage or one season's production on the area lost. The allowance will be paid at the time of compensation payment</p> <p>Additional allowances will be paid to vulnerable APs .</p>
	Individual tenant Sharecropper leaseholder	Reimbursement for unexpired lease	<p>Registered tenants are entitled for 50% of the compensation for their land under tenancy.</p> <p>Lease rates will be determined by the project authority with the help of revenue department and based on consultation with landowners</p>
Loss of residential /commercial land	Titleholder APs with customary land rights	<p>Compensation at replacement cost</p> <p>Additional Assistance to vulnerable APs</p>	<p>Cash compensation at replacement cost as determined by competent authority</p> <p>All fees, stamp duties, taxes and other charges, as applicable under the relevant laws, incurred in the relocation and rehabilitation process, are to be borne by the EA.</p> <p>Additional allowances will be paid to vulnerable APs</p>

⁷ One *ropani* roughly equals 0.05 ha. *Ana* refers to one-sixteenth of a *ropani*.

Loss of access to forestland	Affected household with forestland access	Provision of alternative facilities and technical assistance	Households losing access to forestland for their basic needs such as fuel, fodder, etc. will be provided access to alternative forest land. Communities will be involved in community social forestry schemes coordinated by the Department of Forests.
2. Structures			
Loss of residential and commercial structure	Titleholder APs having structure with customary land right Non titleholders	Compensation at replacement cost Shifting assistance Assistance	Replacement value of the structure and other assets (or part of the structure and other assets, if remainder is viable). Fees, taxes, and other charges related to replacement structure. Shifting assistance Right to salvage materials from structure and other assets with no deductions from replacement value. Additional compensation for vulnerable households.
Loss of rental accommodation	Tenants	Rental Assistance Compensation at replacement cost Shifting assistance	Rental assistance for both residential & commercial tenants as per the prevalent rate in the form of grant to cover maximum three month rentals. Additional structures erected by tenants will also be compensated and deducted from owner's compensation amount. Shifting assistance based on type of house and household assets. Any advance deposited by the tenants will be refunded from owners total compensation package to the tenant on submission of documentary evidences. Right to salvage material from demolished structure and frontage etc. erected by tenants.
3. Trees and Crops			
Loss of Trees	Land holders Share- croppers Lease holders	Compensation at market value to be computed with assistance of horticulture department	Advance notice to APs to harvest fruits and remove trees For fruit bearing trees compensation at average fruit production for next productive years to be computed at current market value For timber trees compensation at market cost based on type of trees

Loss of Crops	Land holders Share- croppers Lease holders	Compensation at Market value to be computed with assistance of agriculture department	Advance notice to APs to harvest crops In case of standing crops, cash compensation at current market cost to be calculated of mature crops based on average production.
4. Income and Livelihood			
Loss of income and livelihood (affected business wage earnings, agricultural income, employees)	Legal titleholder/ tenant/leaseholder/non-titled/employee of commercial structure, farmer/agricultural worker	Assistance	Assistance for lost income based on three months minimum wage rates. Additional compensation for vulnerable households. Consideration for project employment.
5. Government land and Property			
Government Property (Loss of land)	Relevant Department	Lump sum compensation as per government rules	NEA may negotiate with Relevant Department on terms and conditions
6. Community and Cultural Sites			
Religious structures, Community structures, trust, etc.	Affected community	Conservation, protection and compensatory replacement (Schools, community centers, markets, health centers, shrines, other religious sites, places of worship, burial sites, rights to food, medicine, and natural resources)	Impacts will be documented and mitigated. Cultural properties will be conserved through special measures such as relocation in consultation with the community.
7. Temporary Loss			
Temporary loss of land and temporary damage on loss of crops during construction	All APs losing land and crops on temporary basis during the construction period of the lines Farming households Sharecroppers Tenants Non-titled households	Notice to harvest standing crops Compensation at market value for one season Restoration	Provision of rent for period of occupation for legal titleholders. Compensation for assets lost at replacement value. Restoration of land to previous or better quality. Additionally, cash compensation will be paid for the temporary damage of crop under the RoW during the maintenance and repair after the construction. In case there is a need for repair or maintenance of the transmission lines in the future, the project authorities would consult with land owners land owners for access to the land for maintenance and repairs, when necessary, and that the land owners would continue to use the land for farming activities.

8. Vulnerable Households			
Impacts on vulnerable APs	All impacts	Vulnerable APs	Additional assistance based on three months of minimum wage. Vulnerable households will be given priority in project construction employment.
9. Unanticipated Impacts			
Other Impacts Not Identified	Affected households or individuals	Compensation and assistance	Unforeseen impacts will be documented and mitigated based on the principles agreed upon in the resettlement framework.

¹ women-headed households, scheduled tribe households, below poverty line households, and households headed by physically handicapped or disabled persons

I. Relocation of Housing and Settlements

66. The relocation of housing does not apply in Chapali and the Kohalpur-Mahendranagar Transmission Line. In the case of relocation of housing the proponent will provide compensation at replacement cost for the houses (structure and land occupied) and assist them to relocate nearby. Approximately ten or so physical assets in close proximity or within the New Khimti- Kathmandu transmission line are likely to be affected by RoW restriction and thus could be considered for relocation of housing or acceptable compensation. All of them own lands nearby. Most of them are between Barhabise and Balephi section and in between Indrawati –Nagarkot section. No indigenous and Dalit households are likely to lose houses. The losers are mainly the Brahmin-Chhetri group. With compensation at replacement cost they are likely to build their houses in the vicinity since they have their cultivated land and other assets there and that they have been there for generations.

J. Institutional Framework and Land Acquisition and Compensation Procedure

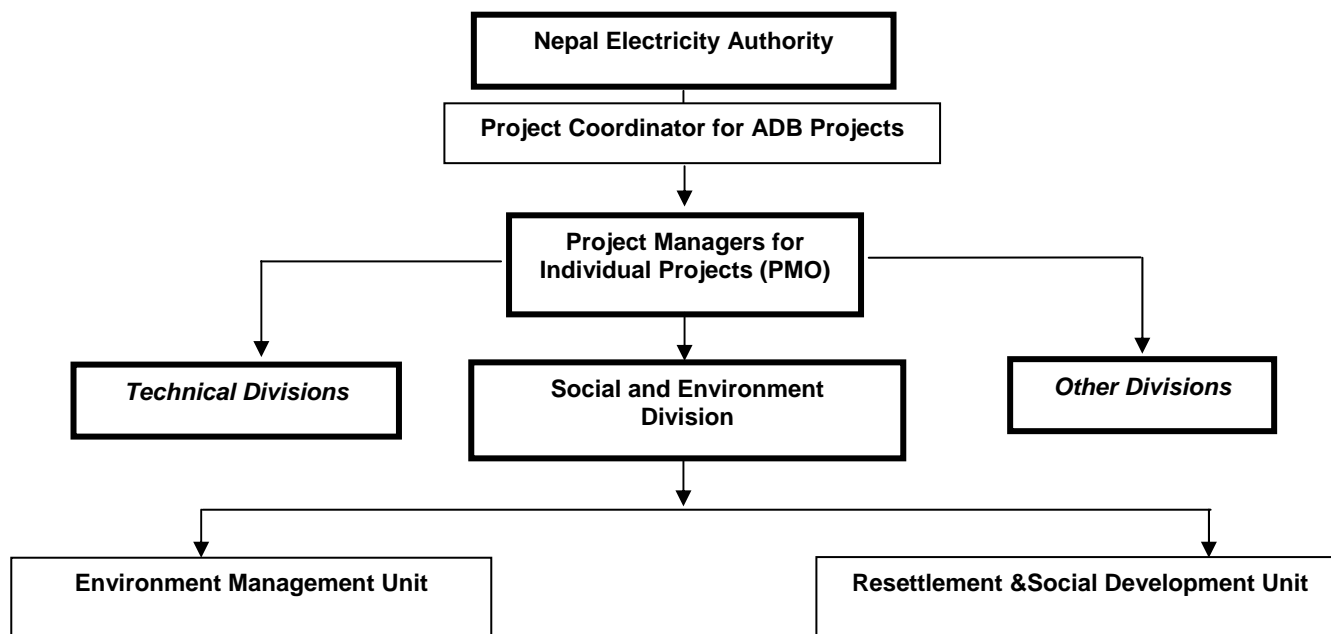
J.1 Institutional Framework

Nepal Electricity Authority (NEA)

67. NEA is the main organization executing all the projects. However there will be three types of organizations directly involved in the implementation of resettlement: i) NEA as the project proponent, ii) Compensation Determination Committee as per Land Acquisition Act 2034 at the district level, and iii) Local Consultative Groups at the VDC level.

68. NEA as the project proponent has the primary responsibility of preparing all necessary documents related to land and asset acquisition and implementing compensation, resettlement and rehabilitation Plan. In doing so it has to follow existing legal provisions and the resettlement policies of as mentioned in this document. For each of the Projects, a Project Manager's Office will be established under the organizational setup of NEA. This Office will be responsible for overall implementation of resettlement and social safeguard activities. An Environmental and Social Management Unit will be established within the PMO for these activities. The organization chart is shown below.

Figure 1 Proposed Organizational Chart



69. The Resettlement and Social Development Unit will have provisions of Surveyors, Resettlement Assistants, Accountants and other staff to facilitate the Resettlement and Social Development Officer. In case the impacts of an individual project are limited to few households and rehabilitation activities limited, separate units for environmental and social development may not be necessary and the Project Manager may handle such activities directly with his/her subordinates. In any case, the Project should abide by the resettlement policy framework stated earlier and the safeguard policy statements of ADB while implementing the project activities.

Compensation Determination Committee (CDC)

70. The Land Acquisition Act 2034 (1977) has a provision of Compensation Determination Committee to negotiate the price and facilitate land acquisition and rehabilitation process of the project. The composition of CDC as per LAA 2034 and the NEA Project policy will consist of:

- Chief District Officer (CDO)
- Chief/Land Revenue Officer (LRO)
- Representative from DDC
- Project Chief or Representative from Tamakoshi III HEP

Special invitee

- Representative from Respective VDC/Municipality
- Representative from PAFs

71. Reference of this Committee has been made in The Entitlement Matrix **(Section F)**. The Resettlement and Social Development Unit works as Secretariat of the Compensation Determination Committee. However, if the land and other assets could be acquired through negotiation with the owners, this provision should get the priority for which the Project itself can negotiate the acquisition. In both the situations, the Unit has to play important role in order to come up with acceptable conditions and costs for lost land and assets with the affected persons.

Local Consultative Forum (LCF)

72. Depending upon the extent of the task and in order to facilitate the resettlement implementation, the Local Consultative Forum (Committee) may be organized. In provisions of groups such as these the practices vary by Projects. While Melamchi Water Supply Project used the nomenclature of Local Consultative Groups (LCG), the Kali Gandaki “A” Project used the term Village Advisory Committee, VAC. The responsibilities assigned to them are almost identical. This Group consists of:

- VDC Chair (or in his/her absence locally respected person),
- Ward Chair/s of affected wards,
- Two representatives of project-affected families (one male and one female),
- Representative from local government institutions (High School, Health Post, Agriculture, Forest),
- Representatives of the Project i.e., normally the head of Social and Environmental Division and
- Local knowledgeable person/s or social worker.

73. The VDC Chairperson moderates the meetings of the Forum (Committee). The Project Representative attends the meeting and keeps minutes. This is largely an advisory body. This Committee will function as liaison between the Project and the project-affected families. Its establishment at the VDC level is to effectively address the social issues associated with the Project. The objectives of this participation program will be to (i) ensure ongoing dissemination of project information to affected households and ii) to involve affected communities and local government structures in social impact management, grievance resolution and monitoring thereby promoting collective organization and decision-making.

74. The LCG will also assist affected households with reinvestment of their compensation in other productive assets in the vicinity through identification of suitable privately owned replacement land and help rebuild their livelihoods.

Local NGO and Civil Society Groups

75. Apart from main line agency functions, the other parties involved have important roles and responsibilities for the effective implementation of the environmental action plan in order to maintain the naturally balanced environment, less disturbed to the possible extent. The Environment and Social Development Division will explore the possibility of involving qualified NGOs with experience of resettlement and social development activities. It is assumed the NGOs provide grassroots expertise to assist with:

- Information dissemination
- Community consultations
- Assistance to affected households to gain access to various government and non-government programs

76. The resettlement activities of the project do not end with delivery of compensation and assistances. The rehabilitation measures should continue for longer period. The monitoring of affected households is also an important task of the unit. The resettlement activities should be considered as part of development activities and not only as compensatory measures.

Coordination and interaction with Government agencies at local level

77. The Project Manager and the Resettlement and Social Development Unit will develop a program of interaction with government departments to ensure effective land acquisition, compensation and implementation of rehabilitation activities. During implementation the Division will work closely with local level institutions of the following Ministries and the local government and non-government organizations.

- Ministry of Home Affairs (Office of Chief District Officer): to implement resettlement and rehabilitation activities of the project;
- Ministry of Land Reform and Management (District Land Revenue Office): to verify parcels, facilitate land acquisition, transfer land entitlement as well as for valuation of land parcels
- Ministry of Local Development
- Ministry of Forest, Department of Forest & Soil Conservation: to facilitate with community forest related issues
- Ministry of Agriculture: to develop and implement agriculture based livelihood restoration programs and trainings
- District Development Committee: to facilitate land acquisition process
- Village Development Committee: to facilitate rehabilitation process and resolve grievance redressal at the local level
- Local Consultative Groups

78. Local community and villages will be apprised of the detailed resettlement activities and procedures through consultation and through establishment of Project Information Center at the Project site. The Social and Environment Division and its subsequent Unit will assist the Project Manager for acquisition of land and house, asset valuation and verification, implementation of compensation and rehabilitation grant (house rent, transportation and dislocation allowances) and coordination of the work with District and Central level agencies. However, the Project Manager will be responsible for the overall coordination, implementation and internal monitoring of project activities.

J. 2 Land Acquisition and Compensation Procedures

79. The land acquisition procedures are specified in the Land Acquisition Act 2034 (1977). Since the Act is very old it does not cover many contemporary issues of resettlement and rehabilitation. However within its umbrella framework current issues may have to be handled. The procedure should ensure public

consultations, consensus building attempts, adequate time of notification, adequate information on resettlement options and participation of affected persons in decision making as far as possible.

80. The procedure in the Act can be roughly categorized as:

- Preliminary process
- Notice of acquisition
- Compensation determination, eligibility and delivery

Preliminary Process

81. The preliminary process involves forwarding proposal of land acquisition to the concerned ministry, and issuance of notice to the land (including and other assets) owners of the preliminary investigation by the Project Investigation Officer. The investigation can commence three days after the notice has been issued. The investigation officer makes the necessary assessment of the area required, details of extent of impact including damages incurred during preliminary investment plus compensation to the damage. This process then is transferred to Local Officer (i.e., CDO) who then serves the notices at all principal locations of public thoroughfare, at local settlement offices and on the doorstep of affected houses. In this stage detail of plot-wise information of affected land, their owners, houses affected with owner, other losses with entitled persons, cut-off date of entitlement plus damage inventory and eligibility should be included.

Notice of Acquisition

82. The Local Officer is required to prepare a notice of acquisition, which indicates that the assets under consideration are to be acquired. The notice must provide details on the type and location of required properties. The concerned owners are granted specific days from issuance of notice to submit application for compensation with necessary supporting documents or seven days excluding travelling time to the district headquarters to submit a letter of complaint/contest. The complaint follows the regular process as discussed in section F above.

Compensation Determination, Eligibility and Delivery

83. It is to be noted that if the project impacts are minimal and affected household number is small, the project can negotiate with the individual owners and this is the most preferred resettlement option. Even in the Projects considered under PPTA 7666 if NEA considers negotiation with all individual owners a viable option without entering into LAA 2034, this is still the first option. But it may not be easy despite the number of land owners limited to less than 20 in the substations of New Khimti-Kathmandu and less than 10 in Kohalpur-Mahendranagar Project. Thus, the eligibility and delivery has to be done through CDC with individual project managers of NEA preparing all the documents and resources.

84. To ensure transparency of procedures, payment of compensation and other allowances will, as far as possible, be made in the presence of family member (spouse) of affected household and other local authorities. These witnesses will ensure that the affected person understands and agrees with the compensation amount, and is informed of the grievance appeal mechanisms available on the project. Certificates of compensation will, in addition, be issued to each entitled person.

85. All government taxes and duties related to the acquisition and registration of affected assets will be borne by the project.

J. 3 Valuation of Assets

86. There are three approaches for the valuation of assets: i) method adopted by the Government, ii) community consensus valuation, and iii) direct negotiation

Method adopted by the government: Under the Land Revenue Regulation 2036 (1980) every year the District Land Revenue Office is supposed to organize a meeting to update the minimum value of land within the district. The meeting is organized by Land Revenue Office and is chaired by Chief District Officer with Local Development Officer, Land Revenue Officer and Chief of Survey (Cadastral) as members. The main purpose of setting minimum value of land is to quote during land registration (ownership transfer etc.). The revenue collection by Land Revenue Office is based on the quoted value of land (including structures) during registration. No transaction of land can take place if the quoted amount for transaction is below the per unit amount set by the Committee. Separate prices are fixed for irrigated land (*khet*), bari (non-irrigated upland) most often based on the quality of land of *khet* and *bari*. The qualities of land are noted as grade I (*abba*), grade II (*doyam*), grade III (*sim*), and grade IV (*chahan*). This applies to both *khet* and *bari* but in case of *bari* there are other categories for which the categories are set as grade V (*panchaou*). While separate rates are fixed for rural and urban areas, the road access is also accounted for. In practice, these values are considered very low in the usual land and asset transaction.

Community consensus valuation method: In many development projects the latest practice has been to hold meetings with the local community members and representatives of the project affected households on the valuation of land and assets and come up with a consensus. This is a more transparent process. This process works through the Compensation Determination Committee for which the Project's Environment and Social Development Divisions takes all the initiatives with consent from the CDC. In the final deliberations full body of CDC approves the proposal. In a way this is a decision making through partnership.

Direct negotiation: In this method a direct negotiation takes place between two parties and the prices are fixed and paid accordingly. This is an ideal method but practical only if the owners are limited. In Projects considered under PPTA 7666 though the affected households due to land acquisition per Project is limited it may still be difficult. Moreover, if negotiation fails with any one of the stakeholder the whole endeavor ends with no result. Thus, the risks are far higher in big projects. However, the possibilities cannot be ruled out if NEA desires so.

87. Overall, while the government valuation through its regular method is too conservative, the direct negotiation may be too time consuming and risky. As a result and in all likelihood, the community consensus method is more reasonable.

K. Budgets and Financing

88. The preliminary total resettlement cost is estimated to be NRs. 798,665.500 which is equivalent to US\$ 11.41 million. Table 11 provides a summary of cost estimates for various items with their description. This is a very preliminary estimate. NEA will develop detail cost estimate while surveys for New Khimti-Kathmandu Transmission line are carried out and when all components are defined and worked out. The resettlement cost estimate for the project includes compensation and other costs associated with transmission line including substations, micro-hydro and distribution projects. These costs have been integrated into the overall budget to reflect the entire compensation package earmarked for the scheme. Project costs include eligible compensation, resettlement assistance and support to community development activities.

Table 11: Summary of Resettlement Cost Estimate

Items	Description	Cost estimate (NRs.,000)
A. Compensation		567030
A.1: Compensation for land	Land to be acquired for substations and angle points	545000
A.2: Crop loss	Loss of crop due to construction activities of project	6030
A.3: Compensation for houses and sheds	Houses under the RoW	16000

B. Resettlement Assistance	Various kinds of assistance to affected persons, households and vulnerable community in the vicinity, Livelihood restoration	16210
C. Community Development Assistance	Support to community development	13,700
D. Surveys and other mitigation	Environmental and social surveys and other mitigation	161,693.5
E. Other Community Development Assistance	Community development support to localities near Micro-hydro	2,000
F. Contingency (5% of total cost)	Unanticipated impact mitigation	38032
Grand Total		798665.5
Total cost US\$ (,000)		11,409. 51

Note: The conversion rate: 1USD =NRs.70)

89. Detail budget for the entire project broken down by type of activities such as compensation for land at their replacement value; compensation for crops; resettlement assistance, shifting allowances and cost for community development. ent assistance, livelihood restoration and by project components is presented in Table 12. The components of the resettlement cost include various features such as, NEA will arrange in advance in its budget to meet the requirement of land compensation and resettlement cost. The details of the unit rates have been provides in Table 10. The unit cost for land and other assets in this budget has been derived through preliminary field appraisal, consultation with affected families and relevant government authorities. Contingency provisions have also been made to take into account variations from this estimate.

Table 12: Detail Budget Estimate for Resettlement

Items	Unit	Quantity	Unit rate (NRs. ,000)	Total cost (NRs. ,000)
A. Compensation for land				
A. 1 Privately owned cultivated land				
Kohalpur_Mahendranagar TL substations	ha	7.0	3,000	21,000
New Khimti-Kathmandu substations (Moolpani and Bahrabise)	ha	7.5	55,000	400,000
Land use restriction @ 10% of total land value	ha	280	3,000	84,000
Additional land if required	ha	LS	LS	40,000
Chapali substation	ha	1.53	na	Already paid
Sub- total A.1				545,000
A.2 Crop loss				
Khimti-Kathmandu TL substation	ha	7.5	LS	3,000
Kohalpur-Mahendranagar TL substation	ha	7	LS	3,000
Other areas	ha	LS	LS	30
Sub- total A.2				6030
A.3 Compensation for housing and structure				
Khimti-Kathmandu Transmission line	N	10	1,500	15,000
Compensation for sheds/private toilets (all projects)	N	20	50	1000
Sub-total A.3				16,000

Total A				567030
B. Resettlement Assistance				
N. Khimti-Kathmandu TL Shifting assistance (transporting materials for Row affected houses	HH	10	5	5
Livelihood restoration assistance for those displaced by housing	HH	10 (with hh size of 5 persons)	50 members for 90 days per persons @NRs. 3000.	13,500
Kohalpur-Mahendranagar Shifting assistance (humanitarian) for transporting materials for temporary huts in the vicinity at Balchaur)	HH	10	5	5
Kohalpur-Mahendranagar Livelihood restoration for vulnerable community (Badi) households in the vicinity	HH	10	20	200
Kohalpur-Mahendranagar Assistance to gender friendly Public toilet construction at 3 market places (Karnali bridge, Sanusree, Bhurigaun)	N	3	350	1,500
Kohalpur-Mahendranagar Reimbursement for 6 RoW affected household toilets NRs. 0.3 million (LS)	N	6	LS	300
Kohalpur-Mahendranagar Assistance to construction of gender friendly Toilets for two secondary schools (Deudakala and Motipur VDC)	N	2	350	700
B. Total				16210
C. Community Development Assistance				
N. Khimti-Kathmandu TL Development of IEC materials, placement of hoarding boards at various locations, broadcasting of materials through electronic and print media	-	-	LS	2,000
N. Khimti-Kathmandu TL On the spot campaigning of IEC materials and awareness raising at 5 market places	N	5	200	1,000
N. Khimti-Kathmandu TL Assistance to APs for loss of livelihood through life-skill trainings (spots o be identified)	Et	5	LS	1500
N. Khimti-Kathmandu TL Assistance to Vulnerable communities (Thami etc) in the vicinity through life skill training (Ramche and two other locations to be identified)	Et	3	LS	900
N. Khimti-Kathmandu TL	-	-	-	2,500

Report and Recommendation to the President – Appendix H

Fund for providing seed money to carry Nepali paper making and livestock raising (Ramche)				
Kohalpur-Mahendranagar Development of IEC materials, placement of hoarding boards at various locations, broadcasting of materials through electronic and print media	-	-	LS	2,000
Kohalpur-Mahendranagar On the spot campaigning of IEC materials and awareness raising at 5 market places(Karnali bridge, Balchaur, Bhurigaun, Pahalmanpur, Motipur)	N	5	200	1,000
Kohalpur-Mahendranagar Assistance to Vulnerable communities (Badi) in the vicinity through life skill training (Balchaur)	Et	1	LS	300
Kohalpur-Mahendranagar Fund for providing seed money to carry handicraft activities and processing activities e.g, pickle, jam/jelly, Duna tapari etc making, (Balchaur))	-	-	-	2,500
C. Sub total				13,700
D. Surveys and other mitigation				
N. Khimti-Kathmandu TL Survey and EIA (Environmental and Social/resettlement)	-	-	-	96,000
N. Khimti- Kathmandu TL Other Mitigation Activities to be identified (@10%)	-	-	-	65693.5
D. Total				161,693.5
E. Other Community Development Assistance				
Sundarjal Micro-hydro Community development support to public health and sanitation activities at settlement (Tamang) in the vicinity	Et	-	LS	1,500
Tinau hydro Community development assistance through maintenance support to community of Dobhan VDC, Palpa for suspension bridge to enhance access to fodder and fuel-wood for the local community	Et	-	LS	500
E. Total				2,000
F. Contingency (@5%)				38032
Grand Total				798665.5
Total cost US\$ (.000)				11,409. 51

Note: N stands for number, ha stands for hectare, HH stands for households, LS stands for lump sum and Et. stands for event.

L. Monitoring and Reporting

90. Two types of monitoring namely internal monitoring and external monitoring will be carried out for RP implementation. A database containing baseline information of affected households will be established by Social and Environment Management Unit. PMO will also conduct internal progress review/ monitoring of key social mitigation activities such as compensation, resettlement and rehabilitation. External monitoring by an independent agency will be conducted to verify results of internal monitoring assess if resettlement objectives were achieved and entitlements were appropriate and assess resettlement efficiency and impacts.

M. Implementation Schedule

91. The land acquisition and compensation will be implemented at least 3 months prior to the construction activities. The other major rehabilitation activities such as skill training, information communication on safety issues through local media, hoarding boards and VDC partnership, and public consultation/orientation on 'dos and don'ts' on TL RoW etc will continue throughout construction phase.