

Social Monitoring Document

Biannual Social Monitoring Report

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NEP: Electricity Transmission Expansion and Supply Improvement Project

Prepared by the Government of Nepal for the Asian Development Bank.

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CURRENCY EQUIVALENTS

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Currency Unit	-	Nepalese Rupee (NRs)
NRs1.00	-	107.29
US \$1.00	-	1.00

ACRONYMS

ADB	-	Asian Development Bank
CDC	-	Compensation Determination Committee
CDO	-	Chief District Officer
DLRO	-	District Land Revenue Office
DLSO	-	District Land Survey Office
EIA	-	Environmental Impact Assessment
ESSD	-	Environmental and Social Studies Department
ETESIP	-	Electricity Transmission Expansion and Supply Improvement Project
GoN	-	Government of Nepal
GRC	-	Grievance Redress Committee
Ha	-	Hectare
IEE	-	Initial Environmental Examination
OIPA	-	Officer Initiating Preliminary Action OIPA
kV	-	kilo Volt
NEA	-	Nepal Electricity Authority
RoW	-	Right of Way
RP	-	Resettlement Plan
SPS	-	ADB Safeguard Policy Statement (2009)
T/L	-	Transmission Line

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APPENDICES

A. BACKGROUND

1. The Asian Development Bank (ADB) approved Electricity Transmission and Supply Improvement Project (ETESIP) on 15 November 2011, agreement with Government was signed on 23 March 2012 and declared effective on 21 June 2012. The Project consists of Asian Development Fund (ADF) loan equivalent to \$56 million at the time of approval (Loan 2808), ADF grant of \$19 million (Grant 0270), and a grant from the Government of Norway equivalent to \$25 million (Grant 0271). The total project cost is \$128 million with balance (\$28 million) being funded by NEA and the Government of Nepal (GoN).
2. The expected outcome of the project is improved electricity supply. The project will fund 3 components: (i) improving the performance of transmission, (ii) distribution, and (iii) generation system of NEA.

A-1 Subprojects and Physical Progress

3. The subprojects corresponding to the project outputs (i) increased electricity transmission, (ii) expanded electricity distribution, and (iii) enhanced electricity generation and their status are presented in **Table: A-1**.

Table A-1: Status of the Subprojects

SN	Sub-Projects	Status
Output A: Increased Electricity Transmission		
1	Kohalpur-Mahendranagar 132 kV Transmission Line- 2 nd Circuit Stringing	<ul style="list-style-type: none"> • Works is ongoing and by now completed about 100 km second circuit stringing • Land acquired and compensation paid for constructing substations at Neulapur VDC of Bardiya district and between Pahalmanpur-Aamkhaiya of Kailali district for substation construction and ROW impacts.
2.	Tamakoshi (New Khimti)- Kathmandu 220/400kV Transmission Line	<ul style="list-style-type: none"> • Contract for Tamakoshi (New Khimti) - Barhabise 220/400 kV Transmission Line is awarded. • Technical Bid Evaluation for Barhabise- Kathmandu 400/220 kV and 132 kV Transmission Line is in progress • For the substations at Barhabise, Lapsipedi, and Changuarayan, bidding documents preparation is in

SN	Sub-Projects	Status
		<p>process.</p> <ul style="list-style-type: none"> • Compensation disbursement amount is ready for Barhabise subproject site, similarly CDC has already determined compensation rate also for land acquisition in Changunarayan. However, some delay has been occurred on payment mainly due to transfer of CDO and grievances regarding land valuation, and delaying on transferring the compensation amount to CDO's account for Changunarayan. • IEE for Tamakoshi-Kathmandu 400 kV transmission line has been approved from the Government • The Project has received updated draft RPs for Barhabise and Changunarayan substation and further revision is required • NEA identified land for Lapsipedi substation. Land acquisition has collected basic data related to identified land (e.g. tentative 167 number of land parcels likely to be with estimated area of about 8.5 ha) • Land acquisition and ROW for transmission line is yet to be initiated.
3.	Expansion of Chapali Substation (Land already acquired under EAEIP)	<ul style="list-style-type: none"> • Expansion works ongoing at Chapali substation (land acquired by NEA under previous project). • Expansion works completed at Bhaktapur and Okhaltar substations.
Output B: Expanded Electricity Distribution		
4.	Augmentation of Distribution Services (East)	<ul style="list-style-type: none"> • Upgradation of 33/11 kV distribution substations at Chandragadhi, Damak (Buluchwouk), Belbari, Jaleswor, Gaur, Nijgadh, and Jare are complete. • This is rehabilitation in the existing substations and land acquisition was not required.
5.	Augmentation of Distribution Services (west)	<ul style="list-style-type: none"> • Upgradation of 33/11 kV substations at Parasi, Amuwa, and Taulihawa are complete. Upgrading is ongoing at Krishnanagar, Gorkha, Mirmi, and Gaddachowki • This is rehabilitation in the existing substations and land acquisition was not required.

SN	Sub-Projects	Status
6.	Upgradation of Distribution Lines	<ul style="list-style-type: none"> • Distribution lines upgradation is ongoing. • The proposed sites for upgrading are mostly earthquake stricken areas at Kathmandu, Bhaktapur, Kavrepalanchowk, Sindhupalchowk, Dolakha, Sindhuli and Ramechhap. • Earthquakes and subsequent landslides have impeded the progress of the project. However, by now, about 50% upgrading work has been completed • No land acquisition is required.
Output C: Enhanced Electricity Generation		
7.	Rehabilitation of Sundarijal HPP (640 kW)	Contract agreement has been signed. Rehabilitation works will be carried out at existing power plant premises, hence land acquisition not required.
8	Rehabilitation of Tinau HPP (1MW)	<ul style="list-style-type: none"> • ADB has sent comments on bid evaluation report submitted by NEA. • No acquisition required as the works will be done in the existing plant premises.

A-2 Monitoring Requirements and Frequency of Submission

4. As per the semiannual reporting guidelines of ADB, the borrower (NEA) prepares semiannual safeguard monitoring report and submits to ADB for the project having resettlement impacts. The semiannual report is to be based on the periodical report submitted by the subprojects, document review, field information and meeting and consultation with stakeholders, affected persons, and the relevant project staff.

A-2-1 Scope of Semi Annual Monitoring Report

5. The Semiannual report contains information on execution of different subprojects/components including land acquisition and resettlement plan (RP) implementation activities and also ensures safeguard provisions and compliance verification as applicable. The scope of this semiannual report includes the following project components having land acquisition and resettlement scope/impact (**Table A-2**).

Table A-2: Subproject Components with Land Acquisition and Resettlement Impacts

S.N.	Subproject Components
1.	Tamakoshi(New Khimti)- Kathmandu 220/400 kV Transmission Line and associated substations Subproject
2.	Expansion of Chapali Substation
3.	Second Circuit Stringing of Kohalpur-Mahendranagar 132 kV Transmission Line and associated substations subproject

A-2-2 Reporting Period

6. The reporting period of this semiannual report covers from July to December 2016.

B. CHANGES IN PROJECT SCOPE AND ADJUSTED SAFEGUARD MEASURES

7. The project was classified as category “B” in terms of social safeguard impact during the approval. The project scope is same as approved with potential minor changes in transmission line alignment due to earthquake impact. The detailed design and check survey of final TL alignment is yet to be carried out.

C. QUALITATIVE AND QUANTITATIVE DATA

8. The monitoring report contains both quantitative and qualitative data. Quantitative data related to safeguard issues and implementation (e.g.area of affected land, number of affected persons and their affected assets, and compensation payment status etc) were collected through NEA’s official record and relevant project offices/officers. Likewise, information allied to the quality of quantitative data and other subjective information were collected through consultation, meeting, discussion, official and unofficial dialogue with project officials, project affected families, local communities, and other stakeholders.

D. MONITORING PARAMETERS/INDICATORS AND METHODS

9. Categorizing the resettlement impact and classification of project on A, B or C category based on the extent of resettlement impacts is one of the main monitoring parameter adopted in this semiannual report to determine the safeguard monitoring scope of the project. Accordingly, the monitoring parameter of ETESIP in line with ADB SPS 2009, has been determined as following Table:

Table D-1: Categorization of Resettlement Impact

Impact Categories	Type	Description
Category	A:	If the proposed project likely to have significant involuntary resettlement impacts to 200 or more persons will be physically displaced from home, 200 or more persons lose 10% or more of their productive or income generating assets or 200 or more persons experience a combination of both.
Category	B:	If the proposed subproject includes involuntary resettlement impacts that are not deemed significant.
Category	C:	The proposed subproject has no involuntary resettlement impact.
Category	D:	In addition, any voluntary donation was verified by an independent third party to in accordance with the project resettlement framework.

10. The monitoring method of this semiannual report is based on some fundamental parameters/indicators including; (i) type of acquisition impacts, (ii) extent of impacts, (iii) measures adopted to mitigate the impacts, (iv) implementation status of mitigating measures, (v) consultation and dissemination, (vi) grievance redressal, (vii) compensation payment, (viii) deed transfer (ix) resettlement and rehabilitation etc (x) NGO or local social facilitator's mobilization . and comparative analysis of current situations.

E. SEMI ANNUAL MONITORING RESULTS

11. Semiannual Monitoring is required also for updating the baseline conditions, assessing social/resettlement impacts and ensuring effective mitigation measures. It is essential for proper implementation of social safeguard measures and its monitoring. Some of the key process of accessing social safeguard implementation progress on ETESIP are summarized as follows:

E-1 Progress on Documentation and Approval

12. Most of the project components do not require social safeguards assessment as they belong to augmentation of existing substations, upgradation of distribution lines, and rehabilitation projects not requiring land acquisition. Only some of the ETESIP components have scope of social safeguards/resettlements (e.g. Barhabise, SS, Changunarayan SS, Lapsiphedi SS, Barhabise-Khimti Transmission towers construction and RoW restriction for transmission lines, and Kohalpur Mahendranagar 132 kV second circuit stringing subproject). Among them, RP documentation for Barhabise and Changunarayan substations has almost been completed and currently the updated resettlement plans for these two transmission substations being reviewed by NEA and project. The Officer Initiating Preliminary Action OIPA (also known as Land Acquisition Officer) of NEA has just been able to collect preliminary information on the tentative number of land parcels and area likely to be acquired for Lapsiphedi substation. Similarly, the International Contractor mobilized for Tamakoshi-Kathmandu TL has also just paid field reconnaissance visit.

E-2 Monitoring Results Compared Against Previously Established Benchmarks

13. The project has been gradually progressing to meet the targeted achievements set forth in the first semiannual report. **Table E-1** provides the status towards achieving the targets as established.

Table E-1: Progress on Previous Semi Annual Target

S.N	Description	Status
1.	Establishment and operationalization of Safeguards Unit in the Project	The Project Office yet to approve the proposal submitted by Environmental and Social Studies Department (ESSD) and mobilize for the establishment and operationalization of Safeguards Units in the project.
2.	Completion of land acquisition, compensation and other safeguard requirements and deed transfer for Barhabise, Changunarayan and Lapsiphedi substations sites.	<p>(i) The updated RP of Barhabise SS being prepared. Compensations for affected assets have been fixed by CDC. However, the tasks of compensation distribution being pending due to complaints filed by APs regarding valuation of the land.</p> <p>(ii) The updated RP for Changunarayan SS also being reviewed. The CDC has fixed</p>

		<p>compensation rate but the approved amount yet to be transferred in CDO's account for disbursement. Ministry of urban development (MOUD) has written a letter to ministry of energy to reconsider proposal to construct substation in the proposed land as the MOUD is preparing town development plan.</p> <p>(iii) Land Acquisition Officer has collected preliminary information on land like; tentative number of land parcels (137) and approximate area (about 8.35 ha) likely to be acquired etc. NEA will accelerate the remaining acquisition activities in Lapsiphedi site.</p>
3.	Initiation of RoW restriction, compensation process for RoW and land for tower footings for Tamakoshi(New Khimti)- Kathmandu 220/400 kV Transmission Line	The recently mobilized (about 1 months ago) international consultant has started to carry initial technical survey. As reported by the Project Manager, delineation of acquisition area for tower footing and RoW restriction for 400 kV transmission line yet to commence, on which ESSD's involvement is essential to facilitate the technical team in coordination and discussion with the local people and stakeholders that may require in the process of finalizing the alignment route and tower footing in a way amicable to technical requirement and also considering social concerns.
4.	Other relevant progresses	Compensation payment for distribution component has been completed.

E-3 Monitoring Results Compared Against the Objectives of Safeguards

E-3-1 Safeguard Objectives of ETESIP

14. The safeguard objective of the ETESIP is to (i) ensure compensations to all the displaced persons having impact on their land and other assets at replacement rate, also (a)

confirming shifting cost, and relocation assistance for them having impact on their residential/commercial and other structures, and (b) transitional assistance and rental cost to the eligible displaced persons. In addition, the project also provisions vulnerability assistances to applicable affected persons (e.g. vulnerable *dalit*¹ households, indigenous households, single women headed households, households having disabled persons, households having senior citizens etc.) after verification. There is also provision of livelihood improvement/skill training to the family members of vulnerable and significantly affected households (e.g. households having more than 10% of cultivating land, households having loss of their structures households having loss on business or earning sources.)

15. The approved Entitlement Matrix (EM) prepared during the ETESIP during the feasibility phase, ensures compensations/financial assistance and other safeguard provisions to the persons displaced due to the project. Some of the key safeguard provisions made under the entitlements matrix for the displaced households under the project also includes:

- (i) **Permanent acquisition of agricultural/ residential/ commercial and other private lands by landowners:** Cash compensation at replacement cost based on current market price. Provision of land for land compensation will be made for those APs having complete loss of land in accordance to the prevailing Act, if land is available in the same VDC as provisioned in Land Acquisition Act.
- (ii) **Land restricted to use except for cultivation along the RoW of transmission lines:** One time cash compensation for the land restricted to maintain RoW of the new transmission lines, except to use for agriculture purpose.
- (iii) **Loss of residential / commercial and other structures by titleholders:** Cash compensation for the loss of built-up structures at full replacement costs based on current market price.
- (iv) **Loss of residential / commercial structures by squatters:** Cash compensation for the loss of built-up structures at full replacement costs.

¹ Occupational caste subgroup arctician

- (v) **Loss of agricultural crops, fruit and wood trees:** One time cash compensation for the temporary loss of agricultural crops along the RoW corridor due to stringing of T/L at current market price based on average production of the affected area, etc.

16. The matrix showing detailed entitlement provisions for different types of losses is attached in **Appendix-1**.

E-3-2 The Monitoring Results

E-3-2-1 Scope of Land Acquisition

17. Based on the latest data the scope of land acquisition for ETIESP has been estimated to be around 26.5925 ha. Out of which acquisition of about 4.0935 ha for Pahalmanpur substation in Kailali, and Bhurigaon substation in Bardiya, Neulapur has already been completed. Next, the NEA has also already acquired another 1.729 ha of land for Chapali substation, Kathmandu under ADB funded Energy Access and Improvement Project (NEP-2582).

18. Acquisition process of another 12.27 ha of land (about 8 ha for Barhabise substation and 4.27 ha for Changunarayan substation) has almost been completed or is in compensation distribution stage. For Lapsiphedhi substation about 8.50 ha of land has been estimated to acquire. However land for tower footing under Tamakoshi-Kathmandu 400 kV transmission line and restriction of land for maintaining RoW for the new 400 kV transmission (about 100 km) line is still remaining. Therefore, the scope of land acquisition under the project still likely to be updated after acquisition/restriction of land for the remaining components/activities. **Table E-2** summarized the status of acquisition scope as of the date.

Table-E-2: Estimated Land Area to be Acquired and Acquisition Status

S.N	Subprojects	Description of Land To be Acquired			
		Estimated Land Area in (Ropani-Aana-Paisa-Daam)[a]	Area in (square meter)[b]	Area in ha[c]	Acquisition Status
A. Land To be Acquired Through Formal Acquisition					
1.	Pahalmanpur Substation ,Kailali, (Ward No.2)	-	20935	2.0935	Acquired
2.	Bhurigaon substation, Bardija, (Neulapur Ward	-	20741.17	2	Acquired

	No. 6) in Bigha Kattha and Dhur				
3.	Barhabise Substation, Barhabise	160-0-0-0	81398.4	8	Compensation Distribution Stage
4.	Lapsiphedi Substation, Kathmandu	167-5-2-0 [d]	85034.41	8.50	Completed to collect preliminary information
5.	Changunrayan Substation, Bhaktapur	84-0-0-0	42734.16	4.27	Compensation Distribution Stage
6.	Land Required for Constructing 400 kV Transmission Towers from Barhabise to Kathmandu.	Yet to be acquired [e]	Yet to be acquired	Yet to be acquired	To be Assessed and Acquired
7.	Chapali Substation	34-0-0-0	17297.16	1.729	Already completed under ADB funded EAIP
B. Restriction of Land to Maintain RoW					
8.	Tamakoshi(New Khimti)-Kathmandu 220/400 kV Transmission Line	Yet to be acquired	Yet to be acquired	Yet to be acquired	To be Assessed
	Area of Land To be Restricted for RoW	Yet to be determined	Yet to be determined	Yet to be determined	Yet to be determined
	Estimated Total (To be updated)			26.5925[e]	

[a]=Land measurement units followed in hill area of Nepal, according to which 1 ropani = 16 aana, 1 aana= 4 paisa and 1 paisa = 4 Daam, [b] 1 ropani = 508.74 sq.m. [c] 0.10000 m2=1 ha. [d] NEA has identified land for Lapsiphedi Substation and still working on details on land to be acquired. Once the area will be determined it will also be included in the total land to be acquired for the project resulting an increase in estimated affected area [e] The calculation is based on only some of the acquired as well as estimated area of land yet to be acquired

19. In addition, recently the project has just mobilized contractors for Tamakoshi-Kathmandu transmission line components. The contractor has also initiated technical survey. Locations for tower footing and RoW alignment not yet fixed. The project yet to mobilize social and environmental staff through ESSD to facilitate the technical team on fixing the tower footing location, alignment route and RoW for 400 kV Tamakoshi - Kathmandu new transmission line.

20. Collectively, as shown in **Table E-1** above an estimated area of **26.5925** ha of private land has already been processed to acquire under ETESIP. The area of land likely to be further increase after processing/acquiring land for (i) Lapsiphedi substation, (ii) towers construction for Tamakoshi (New Khimti) – Kathmandu 400 kv transmission line, and (iii) Restricting ROW for Tamakoshi (New Khimti)- Kathmandu transmission line.

E-4 Progress on Compensation Distribution and Land Acquisition

21. Based on the semiannual review, land acquisition and compensation payment has been completed in Chapali, Pahalmanpur and Bhuregaon substations. The following subsections

abridges the progress on compensation distribution by type of impacts. Details on affected assets and compensation distribution status are incorporated in **Appendix-2**.

E-4-1 Compensation for Acquired Land

22. By the end of first semiannual period a total number of 79 households displaced due to land acquisition for Chapali Substation and Bhuregaun and Pahalmanur substations under Butwal- Mahendranagar second circuit stringing have already been compensated by the project. The total affected area of compensated households is about 5.78 ha. List of displaced households who have been paid compensation in Chapali, Bhuregaun and Pahalmanur subprojects for their affected assets is included in **Appendix-2**.

Table E-3: Compensation Distribution Status for Land

S.N.	Subproject Name	Displaced HHs	Acquired Land Area (ha)	Compensation Paid/Received HHs
1.	Chapali Subst ²	58	1.729	58
2.	Butwal-Mahendranagar: Bhuregaun Substation	8	2	8
3.	Butwal-Mahendranagar:Pahalmanpur Substation	13	2.0935	13
	Total	79	5.78	79

E-4-2 Compensation for Structures

23. By now altogether 10 affected structures and sheds has been compensated under the ETESIP. Of the total affected structures 4 number of structures affected due to land acquisition in Chapali substation were constructed by the squatters and the remaining structures were constructed in the land acquired by the project. **Table E-4** summarizes the information of compensated structures by subprojects.

Table E-4: Compensation Distribution Status for Displaced Structures

S.N.	Subproject Name	Displaced HHs	No. of Displaced Structures	Compensation Paid/Received HHs
1.	Chapali Subst ³	4	4[1]	4
2.	Butwal-Mahendranagar: Bhuregaun Substation	2	2[2]	2
3.	Butwal-Mahendranagar:Pahalmanpur Substation	4[3]	4[3]	4
	Total	10	10	10

[1] squatters who have constructed shed on affected land

[2] & [3] The households also have affect on their land

E-4-3 Compensation for Trees/Plants

24. The project has also distributed compensation to 5 affected trees due to land acquisition for Bhuregaun substation and Pahalmanpur substations.

² Compensation distribution for Chapali substation has already been paid under ADB funded energy access and improvement project

³ Compensation distribution for Chapali substation has already been paid under ADB funded energy access and improvement project

Table E-5: Compensation Distribution Status for Affected Trees

S.N.	Subproject Name	Impact on Land (No. of HHs)	Impact on Plant/Trees (No. of HHs)	Compensation Paid/Received HHs
1.	Bhuregaun Substation	3	3	3
2.	Pahalmanpur Substation	2	2	2
	Total	5	5	5

E-4-4 Underlying Issues Associated to Acquisition and Compensation Distribution

- (i) **Barhabise and Changunarayan Substations:** Acquisition of about 8 ha of land for Barhabise and about 4 ha land Changunarayan substation is in compensation distribution stage. Compensation distribution is impending due to lack of deputation of CDO in Barhabise substation area and delay on transferring the approved amount in the account of CDO in case of Changunarayan substation. The updated RP of Barhabise and Changunarayan being prepared.
- (ii) **Tamakoshi (New Khimti) - Kathmandu 220/400 kV TL (Permanent Acquisition for Towers and Restriction for RoW):** Contractor has just mobilized in the field and technical survey being taken. The project yet to mobilize social/environmental staff in coordination with the ESSD in order to facilitate the engineering team on the process of coordinating and consulting with local people likely to be displaced while fixing the tower footing and RoW for new 400 kV transmission line. Currently the project and ESSD is discussing to finalize the matter.
- (iii) **Lapsiphedhi Substation:** Land acquisition for Lapsiphedhi substation has been delayed compared to Barhabise and Changunarayan substation. Among others, it is also delayed due to; (i) Massive earthquake in the country on April, 2016, (ii) change of substation site also due to earthquake from Haledi to Lapsiphedhi after processing IEE, and (iii) deputation transfer of Land Acquisition Officer to another district. Hence, the Land Acquisition Officer (LAO) has just been able to collect the preliminary information regarding acquisition in terms of tentative number of parcels and area of land likely to be acquired for Lapsiphedhi substation. According to this, about 8.50 ha of land likely to be affected due to acquisition of 137 land parcels in Lapsiphedhi. The present changes on project management and staff deputation

including LAO has also causing somehow delay even in land acquisition activities under the ETESIP. Considering this fact NEA will abruptly remobilize the Land Acquisition Officer to complete the acquisition activities even in Lapsipedi site.

- (iv) **Issues Related Compensating for Structure in Barhabise SS:** Compensation for about 12 structures (including cattle sheds) impacted in Barhabise substation has been withheld by the CDC. The compensation Determination Committee (CDC) in Barhabise has decided to pay compensation for the affected structures in the substation site only after field verification of affected structures and coordination with National Reconstruction Authority (NRA) as some of the structures (already notified as acquired for the project) has been damaged due to April 2015 earth quake . Though not quoted formally, CDC is of the opinion that verification of affected person's interests on receiving compensation for affected structure (either through the project or NRA) would be helpful for avoiding the chances of dual distribution of compensation/relief aid. It is because the Government has also provisioned relief packages for earthquake victims in the districts which may also include the project affected households having impact on their houses due to earthquake.

E-4-5 Livelihood Restoration and Gender Development

25. ADB SPS (2009) aims to enhance, or at least restore, the livelihoods of all displaced persons in real terms; relative to pre-project levels; and to improve the living standards of the displaced poor and other vulnerable groups. Accordingly, there is a practice of imparting livelihood improvement and skill development training to eligible family members of project affected vulnerable households. The scope of livelihood restoration and skill training under ETESIP is likely to be applicable in Tamakoshi (New Khimti)- Kathmandu 220/400 kV transmission line and associated substations. Besides, the project design has also provisioned capacity development and gender enhancement training to the local people including displaced households under the Gender and Social Inclusion (GESI) package of the project.

26. The updated resettlement plan for Barhabise and Changunarayan substation provisions livelihood restoration/ improvement, gender development and skill training to the target groups in subproject location. Such provisions will be ensured for even Lapsipedi substation. The progress on these subcomponents will be incorporated after imparting trainings and other awareness and capacity building program in different subproject locations.

E-4-6 Ensuring IPs Identity, Human Right, Livelihood and Cultural Uniqueness

27. Acquisition of land for Barhabise substation have impact on 11 indigenous households of Newar community. Similarly, another 23 indigenous households are likely to be affected in Changunarayan due to land acquisition. Based on consultation with the affected households during census and socioeconomic survey, acquisition of land with adequate compensation may not likely to create adverse impact or generate major issues related to identity, culture, social network, human rights and living standard of the affected indigenous households (Newar and Magar) households as the community will be able to continue their culture without any serious harm. In addition to compensation for the affected assets, the project has also provisioned other assistances to the affected indigenous households. The entitlement matrix has ensured livelihood enhancing and skill training to the significantly affected indigenous households for their livelihood improvement.

F. GRIEVANCE REDRESSAL MECHANISMS

28. Land Acquisition Act 1977 encourages forming Grievance Redress Committee (GRC) for easing to solve the grievances related to the acquisition that may be submitted in land acquisition process. The ETESIP RPs has provisioned for GRC to minimize the grievances, ease to solve the grievances, and facilitate the compensation distribution process. The contact address of NEA officials is provided NEA in its website where grievances related to acquisition and compensation can also be lodged. Some of the grievances submitted in different by project affected families and other concern groups in different subprojects have been summarized as follows in **Table F-1**.

Table F-1: Submitted Grievances and Status

S.N.	Submitted Grievances	Action Taken and Status
Barhabise Substation		
1.	Dissatisfaction on Compensation Rate: The project has been informally informed that displaced persons in Barhabise substation site have submitted their grievance to the Ministry of Home to increase the compensation rate determined for project affected land. [1 st week of July]	The Ministry of Home Affairs forwarded the complaint to Regional Administration Office.

Changunarayan Substation		
2.	<p>Interest groups concern on NEAs plan to construct substation at identified site at Changunarayan: Some people in the vicinity have expressed their concern against NEA decision for selecting the determined site at Changunarayan. Besides they are also alleging that the substation construction site comes under the international heritage site. [June 2016]</p>	<ul style="list-style-type: none"> • NEA has resolved the issue through site verification and corresponding with relevant World Heritage Office in Nepal that the substation location is not within the restricted area of International heritage area.

G. MINIMIZING SCOPE OF LAND ACQUISITION

29. One of the objectives of Bank Policy in Involuntary Resettlement (IR) is to minimize the scope of acquisition as much as feasible and practical. Land acquired for the project compared to the estimated area of land during the feasibility phase also has to be reviewed. Land acquisition for some subprojects (e.g. Lapsipedi, Barhabise-Khimti-Kathmandu transmission and tower construction etc.) are still not complete. Therefore, information on actual area of land acquired for the project and area of land estimated during feasibility for acquisition will be included in the coming semiannual report after the completion of land acquisition for all subprojects.

H. GAPS AND CORRECTIVE ACTION PLAN FOR MITIGATION

30. NEA has been working for strengthening the existing system of social/resettlement safeguard implementation in the changed context. NEA is in the process of establishing a dedicated safeguards unit for Tamakoshi (New Khimti)- Kathmandu TL project.

I. RECORDS ON DISCLOSURE OF MONITORING INFORMATION

31. The Project through the PMCO will disclose the semiannual report by uploading in the NEA website. The report will also be uploaded in ADB website.

J. MONITORING ADJUSTMENT MEASURES RECOMMENDED

32. According to Project Administration Manual (PAM) the project is to be regularly monitored throughout the implementation phase. Mainly two types of monitoring and reporting

activities are required for safeguard implementation. They are; (i) semiannual monitoring and reporting of safeguard implementation activities and (ii) compliance monitoring of resettlement plan implementation and reporting in the projects with resettlement impact of category A (having impact to more than 200 persons). Upon the acceleration of safeguard implementation activities the scope of monitoring contents of information in the semiannual report will also be broadened.

K. INSTITUTIONAL ADJUSTMENTS TO IMPLEMENT MONITORING PLAN

33. As an approach of institutional adjustment to implement the social safeguards monitoring in ETESIP, NEA/PMCO is in the process of: (i) establishing a central level Safeguard Unit and (ii) involve Environment and Social Studies Department (ESSD) under the NEA for assisting and supporting social safeguard assessment and implementation activities.

34. There will be a Social Safeguard Specialist (central level) for the overall support, monitor and report safeguard implementation related activities. Also the field based safeguard personnel will be assigned.

L. PROPOSED MAJOR ITEM OF FOCUS FOR NEXT REPORT

35. Next semiannual report will also be focused on completing the following activities summarized in **Table L-1**.

Table L-1: Focus of Next Semi Annual Report

S.N	Description	Status
1.	Establishment and operationalization of Safeguards Unit in the Project	
2.	Remobilization of Land Acquisition Officer to complete land acquisition activities for Lapsipedi substations which was impended due to transfer of relevant land acquisition officer to another district and change on management team in Tamakoshi-Kathmandu 400 kV transmission line.	
3.	Completion of land acquisition, compensation and other safeguard requirements and deed transfer for Barhabise, Changuarayan and Lapsipedi substations sites	
4.	Start of land acquisition for tower footings from Tamakoshi (New Khimti)-Kathmandu 220/400 kV Transmission	

S.N	Description	Status
1.	Establishment and operationalization of Safeguards Unit in the Project	
2.	Remobilization of Land Acquisition Officer to complete land acquisition activities for Lapsipedi substations which was impended due to transfer of relevant land acquisition officer to another district and change on management team in Tamakoshi-Kathmandu 400 kV transmission line.	
	Line with the involvement of ESSD right from the beginning in the process of determining site for tower footing, fixing alignment route and RoW for new 400 kV transmission line from Tamakoshi to Kathmandu.	
5..	Other relevant progresses	

APPENDICES

Table xx: Entitlement Matrix

Type of Losses	Definition of APs	Entitlement	Details
1. Land			
Loss of agricultural land	Titled owners Affected persons (APs) with traditional land rights	Compensation based on market/replacement value Resettlement assistance Additional Assistance to vulnerable APs	In case of compulsory acquisition of land, compensation will be based on market value. The CDC the Land Acquisition Act will include VDC representative and representatives (one female and one male) as invitees in the Committee 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. Transaction costs (documentary stamps, registration costs, etc.) will be borne by the project authority during registration. 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
	Individual tenant Sharecropper Leaseholder	Reimbursement for unexpired lease	Additional allowances will be paid to vulnerable APs . Registered tenants are entitled for 50% of the compensation for their land under tenancy. Lease rates will be determined by the project authority with the help of revenue department and based on consultation with landowners
Loss of residential /commercial land	Titleholder APs with customary land rights	Compensation at replacement cost Additional Assistance to vulnerable APs	Cash compensation at replacement cost as determined by competent authority 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. Additional allowances will be paid to vulnerable APs

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

Type of Losses	Definition of APs	Entitlement	Details
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

Type of Losses	Definition of APs	Entitlement	Details
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, health Centers, community centers, markets, shrines, other religious sites, places of worship, burial/cremation 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.
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Type of Losses	Definition of APs	Entitlement	Details
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

