

Social Monitoring Report

Semi Annual Monitoring Report

(January- June) 2017

NEP: Electricity Transmission Expansion and Supply Improvement Project

(Loan/Grant:2808/0270/0271)

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

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CURRENCY EQUIVALENTS

(6 Dec 2016)

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). In addition to the loan and grants, a capacity development technical assistance (TA 7923) amounting \$2 million been approved by ADB and is piggybacked to the loan and complements on implementing of Gender and Social Inclusion (GESI) Action Plan. The loan and grant closing date is 31 December 2017 while the TA 7923 closed on 31 December 2015.
2. The expected outcome of the project is improved electricity supply. The project is funding for 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 on; (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"> Completed all 191 km second circuit stringing of this section Land acquired and compensation payment activities completed for substations construction at Neulapur VDC of Bardiya district and between Pahalmanpur-Aamkhaiya of Kailali district for substation construction and ROW impacts.

SN	Sub-Projects	Status
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 and detail design is completed. • Contractors mobilized and preliminary draft design for Barhabise- Kathmandu 400/220 kV and 132 kV Transmission Line. Contractor has prepared and submitted draft report for Tamakoshi-Kathmandu new transmission line and submitted to the project for review • Bidding documents for Barhabise has been prepared and NEA published tender notice on May 23, 2017. • Compensation distribution for acquired land and assets started in <u>Barhabise</u> subproject by District Administration Office (DAO), Sindhupalchok. <p>As of June 4, 2017 about 50 % affected households have already received compensation and among the remaining households some are in process of updating land ownership documents, and some yet to submit their request for payment.</p> <ul style="list-style-type: none"> • NEA has arranged budget to compensate for Changunarayan acquisition. Currently, the affected households are updating their ownership documents as most of the land owners in the subproject area yet to update the ownership record. Project office providing necessary support to the affected households on the updating process. • The Project has prepared updated draft RPs for Barhabise and Changunarayan substation and under review in the project. • Land acquisition and RoW for Barhabise-Kathmandu transmission line yet to be initiated. The contractor has just prepared preliminary prefeasibility report for the transmission line which is yet to be finalized by the project also determining the tower. The project will seek technical support from ESSD for the community disclosure about proposed RoW restriction for Tamakoshi-Kathmandu and

SN	Sub-Projects	Status
		also to organize consultation with local communities in the proposed transmission alignment routes as required in connection with fixing alignment route and tower footage as necessary.
3.	Expansion of Chapali Substation (Land already acquired under EAEIP)	<ul style="list-style-type: none"> Expansion works completed at Chapali substation (land acquired by NEA under Energy Access and Improvement Project 2587 funded by ADB. Completed expansion works at Bhaktapur and Okhaltar substations.
Output B: Expanded Electricity Distribution		
4.	Augmentation of Distribution Services (East)	<ul style="list-style-type: none"> Completed upgradation of 33/11 kV distribution substations at Chandragadhi, Damak (Buluchwouk), Belbari, Jaleswor, Gaur, Nijgadh, and Jare. 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, Krishnanagar, Gorkha, Gaddachowki has been charged. Work at Mirmi Susstation delayed due to delay in civil work by the contractor from other contract. This is rehabilitation in the existing substations so land acquisition was not required.
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, Bhaktpur, Kavrepalanchowk, Sindhupalchowk, Dolakha, Sindhuli and Ramechhap. Earthquakes and subsequent landslides have impeded the progress of the project. However, by now, about 75% 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. As the rehabilitation works to be carried out at existing power plant premises land acquisition not required.

SN	Sub-Projects	Status
		<ul style="list-style-type: none"> Civil work ongoing at intake site. Project is also working to establish a museum type office building for which NEA has opened bidding.
8	Rehabilitation of Tinau HPP (1MW)	<ul style="list-style-type: none"> The project has not been selected for implementation at this time due to insufficiency of time. 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 loan agreement and reporting requirements, 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 including affected persons, and the relevant project staff.

A-2-1 Scope of Semi Annual Monitoring Report

5. The Semiannual report contains information related to 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 January-June, 2017.

B. CHANGES IN PROJECT SCOPE AND ADJUSTED SAFEGUARD MEASURES

7. NEA has decided to shift the scope of work for construction of Changunarayan and Lapsephedi substations to another ADB funded, NEPAL: Power Transmission and Distribution Efficiency Enhancement Project: P50059-002 which is being processed for implementation. The project has prepared resettlement plan as required. Progress on compensation payment and other livelihood restoration measures will be monitored and reported by the new project.

C. QUALITATIVE AND QUANTITATIVE DATA

8. The monitoring report contains both quantitative and qualitative data. Safeguard related quantitative data and implementation issues (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. 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 has been carried out based on the extent of resettlement impacts which is one of the main monitoring parameter adopted in this semiannual report for determining safeguard monitoring scope of the project. The monitoring parameter followed in ETESIP in accordance to ADB SPS 2009 has summarized in Table D-1:
10. The ETESIP resettlement impacts categorized as "B" .
11. 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

12. This semiannual monitoring is required for 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

13. Most of the project components (subprojects) do not require social safeguards assessment as they belong to augmentation of existing substations, upgradation of distribution lines, and rehabilitation works. Only some of the ETESIP components have social safeguards/resettlements scope (e.g. Barhabise, SS, Changunarayan SS, Barhabise-Khimti-Kathmandu 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 also submitted to NEA and project. However, the RP will be updated and submitted to ADB after the completion of distribution compensation and other assistance to the displaced households.

E-2 Monitoring Results Compared Against Previously Established Benchmarks

14. **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 has approved the proposal submitted by Environmental and Social Studies Department (ESSD) and to mobilize ESSD team for the operationalization of Safeguards Units in Tamakoshi-Kathmandu 400 kV transmission line subproject. An agreement has also been signed between NEA/ETESIP and ESSD on June 4, 2017.
2.	Completion of land acquisition, compensation and other safeguard requirements and deed transfer for Barhabise, Changunarayan and Lapsiphedi substations sites.	(i) Compensation payment for Bahrabise subproject is ongoing. As of June 4 2017, about 50% affected households have received compensation. Detail official list yet to receive from District Administration Office, Sindhupalchowk. (ii) Compensation distribution in Changunarayan site is in process as the affected households are engaged on updating the official records of affected properties.
3.	Initiation of RoW restriction, compensation process for RoW and land for tower footings for Tamakoshi (New Khimti)- Kathmandu 220/400 kV Transmission Line	International consultant mobilized for the project has just submitted preliminary technical design. Scope of land acquisition for tower RoW for about 100 km transmission line (400 kV) yet to be determined through field verification with the involvement of ESSD for facilitate on information disclosure and social consultation with likely affected people in the process of finalizing the alignment route and tower footing in a way amicable to technical requirement social concerns, if any.
4.	Other relevant progresses	

E-3 Monitoring Results Compared Against the Objectives of Safeguards

E-3-1 Safeguard Objectives of ETESIP

15. 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.)

16. 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.

¹ *Occupational caste subgroup arctician*

- (iv) **Loss of residential / commercial structures by squatters:** Cash compensation for the loss of built-up structures at full replacement costs.
- (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.

17. 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

18. Based on the latest data the scope of land acquisition for ETIESP has been estimated to be around 18.09 ha after deduction of estimated area (about 8.50 ha) to be acquired for Lapsipedi. Out of 18.09 ha acquisition of about 4.0935 ha for Pahalmanpur substation in Kailali, and Bhurigaon substation in Bardiya, Neulapur has already been completed. 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).

19. Compensation for the land acquired in Bahrabise substation (about 8 ha) being distributed by the District Administration Office (DAO) of Sindhupalchowk district. As of telephonic conversation with the relevant officials in DAO, compensation to about 50% households has already been distributed and the land owners of remaining affected households are processing to update their ownership document from the relevant Government organizations. Similarly, the project affected families in Changunarayan area also updating their land ownership record.

20. The contractor has also prepared a preliminary draft report for Tamakoshi-Khimti and Kathmandu 400 kV transmission line. Estimation of land and locations for tower footing is yet to be completed. An agreement has recently (June 4, 2017) signed between NEA/Project and ESSD for providing safeguard related support for Tamakoshi-Khimti- Kathmandu transmission line. Finalization of RoW and tower footing will bring further update on the total area of land to be acquired under the ETESIP which will be updated in the subsequent progress report. **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, Bardiya, (Neulapur Ward No. 6) in Bigha Kattha and Dhur	-	20741.17	2	Acquired
3.	Barhabise Substation, Barhabise	160-0-0-0	81398.4	8	Compensation Distribution Stage
4.	Changunrayan Substation, Bhaktapur	84-0-0-0	42734.16	4.27	Compensation Distribution Stage
5.	Lapsipedi [e]	-	-	-	-
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 Tower Footing	Yet to be acquired	Yet to be acquired	Yet to be acquired	To be Assessed
9	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)			18.0925[e]	

Note: the actual area of land will be updated after acquisition of land for the remaining components

[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 assigned another ADB funded project (PTDEEP) to process and complete land acquisition activities [e] The calculation is based on only some of the acquired as well as estimated area of land yet to be acquired

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. Land Acquisition process is ongoing in Barhabise and about fifty percent displaced households (25 HHs) have already received their compensation and official list of compensated households yet to be received from District Administration Office, Sindhupalchowk. Similarly, ownership documents of Changunarayan site being updated to start compensation. It is to be noted that more than fifty percent affected households

have to update their land ownership document in Changunarayan site. The following subsections abridges the progress on compensation distribution by type of impacts.

E-4-1 Compensation for Acquired Land

22. Earlier semiannual safeguard report suggest a total number of 79 households displaced due to land acquisition for Chapali Substation (58 HH), Bhuregaun and Pahalmanur substations (8 HH) under Butwal- Mahendranagar second circuit stringing (13 HHs) were compensated. The total affected area of compensated households is about 13.78 ha under Chapali, Butwal – Mahendranagar-Bhuregaun, and Butwal Mahendranagar –Pahalpamput substations.

Table E-3: Compensation Distribution Status for Land

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

E-4-2 Compensation for Structures

23. Altogether 23 different type of structures (residential, cattle shed, temporary residential) belonging to 19 households have been affected under the ETESIP (Table E-4). By now, the project has compensated 10 households for their 10 affected structures. Out of remaining 13 affected structures, 12 structures were owned by 8 households under Bahrabise Subproject and 1 structure owned by a household at Changunarayan which is yet to be compensated.

24. Compensation rate for the affected structures in Bahrabise and Changunarayan has already been fixed by Compensation Determination Committee (CDC) of the respective districts (e.g. Sindhupalchowk and Bhaktapur). However, compensation distribution for affected structures in Bahrabise is still due as the project yet to verify the name of structure affected households in the with the record of respective wards and this is getting delay due to conversion of the then Village Development Committee (VDC) into municipality and activities related local level elections.

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 Substation	4	4[1]	4
2.	Butwal-Mahendranagar: Bhuregaun Substation	2	2[2]	2
3.	Butwal-Mahendranagar:Pahalmanpur Substation	4[3]	4[3]	4
4	Sub-Total	10	10	10
5	Bahrabise Substation	8	12	0
6	Changunarayan	1	1	0

[1] squatters who have constructed shed on affected land

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

E-4-3 Compensation for Trees/Plants and Crops

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

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
	Subtotal	5	5	5
3	Bahrabise Substation	21	307	Official list to be Collected
4	Changunarayan[a]	3	3 bamboo bush 6 trees	Compensation yet to be paid
5	Subtotal	24	316	Official list to be Collected
6.	All Total	29	321	Official list to be Collected
Compensation for Loss of Crops				
S.N.	Subproject Name	Impact on Land (No. of HHs)	Impact on Crops (No. of HHs)	
7	Bahrabise	13	13	Official list to be Collected

S.N.	Subproject Name	Impact on Land (No. of HHs)	Impact on Plant/Trees (No. of HHs)	Compensation Paid/Received HHs
8	Changunarayan	3	3	Compensation payment yet to be started
9	Subtotal	16	16	
	All Total	16	16	

Note: The scope of impact on bamboo and tree in Changunarayan has been assessed based on the likely impact during the construction while compounding the substation site. So, compensation for these bamboo and trees will be distributed after finalizing the technical design during construction phase.

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

(i) Barhabise Substation:

26. NEA has acquired about 8 ha of land for Barhabise substation. Compensation distribution for the acquired land has been started by District Administration Office (DAO) in Bahrabise substation and disbursement is ongoing. Due to limited human resources the DAO has not been able to timely prepare the record of disbursed and remaining compensation in proper format. Thus, the project has not yet received the same for recording and reporting. The project has to wait until the DAO officially issue the list of compensation paid households with the description of affected assets and paid amount for circulation and dissemination through reporting. However, based on the information received by Project Manager from the DAO till the date, of the total displaced (55 HH) in Bahrabise subproject compensation has already been paid to 25 households. The compensation for the remaining households also being processed by updating the ownership records. In this sense, it is likely that it may take a bit time to receive the record of compensation paid households in Bahrabise substation site after completing the ongoing compensation disbursement process.

27. As per the impression of discussion with the Project, about 50 % affected households having impact on their assets yet to update their land ownership certificate. Unavailability of some of the land owners in the area, availability of working staff in the Government offices to update the ownership documents, upcoming cropping season likely to cause some delay on completing the compensation distribution in Bahrabise substation site.

28. One of households in Bhrabise substation having impact on about 2 ropani (1000 sqm) land has requested the project also for the acquisition of his additional land of about 6 ropani (about 300 sqm). The land owner has also given ultimatum that by showing his unwillingness of leaving

previously acquired land if the project do not acquire the requested additional land. As reported by the Project acquiring additional land is useless to the project. So the project is in wait and watch position till the end of compensation distribution process to decide (i) whether also to acquire additional land or (ii) not to acquire additional land.

(ii) Changunarayan Substation:

29. About 4 ha of land has also been acquired by NEA to construct a distribution substation at Changunarayan. Government has fixed compensation for the affected land and structure in this substation site, NEA has already allocated budget for compensation. Currently, the affected households are updating their ownership documents from relevant government offices to receive compensation for their affected assets. It is to be noted that most of the displaced households in this substation site has not yet updated the ownership documents of land. Similarly, reaching to some of the affected households is also difficult as they resides in outside the subproject location.

(iii) Tamakoshi (New Khimti) - Kathmandu 220/400 kV TL (Permanent Acquisition for Towers and Restriction for RoW):

30. Contractor has just submitted design report after the technical survey. The agreement between the project and ESSD has recently been concluded for providing social safeguard related support required to this subproject. Upon the mobilization of contractor to finalize the design, RoW scope and scope of land acquisition for tower the will be assess with the support of ESSD on social mobilization and community consultation.

(iv) Issues Related to Compensating for Structure in Barhabise SS:

Compensation for 12 structures (including 4 cattle sheds) impacted in Barhabise substation has been fixed by CDC in the month of May 2017. The compensation Determination Committee (CDC) in Barhabise has considered April 2015 earth quake and impact generated by it, cost required to shift and rebuilt similar structures in another location, grant amount received from NRA if any to adjust while fixing compensation rate, district rate of the structures, current local market of construction materials and labour costs, and national norms of calculating compensation costs of acquired properties. The ranges of compensation rate fixed for Bahrabise substation in between NRs 70,000 (even for a temporary cattle shed) to 2,600,000 and this has been considered to be replacement rate.

31. The project yet to distribute compensation for the affected structures in Bahrabise subproject as ownerships of such structure yet to be verified from the record of ward level office of

respective municipality/VDC. This has been delayed due to local election interval on starting the work by newly elected local representatives.

E-4-5 Livelihood Restoration and Gender Development

32. ADB SPS (2009) aims to enhance, or at least to 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 awareness program and livelihood improvement and skill development training to eligible family members of project affected household with focus to vulnerable households. The project design also provisioned capacity development and gender enhancement and skill training to the local people including other eligible displaced households under the Gender and Social Inclusion (GESI) package of the project during the implementation phase. Such provisions will be ensured even for Changuarayan subproject.

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

33. Land Acquisition for Barhabise substation has impacted 11 Newar indigenous households. Similarly, another 23 indigenous households (e.g. Newar, Tamang, Magar etc) also likely to be affected due to land acquisition in Changuarayan. Based on the findings of consultation with the affected households and socioeconomic data, acquisition of land with adequate compensation would be supportive for improving their living conditions and improvement livelihood. Acquisition of land of the IP in both sub-projects 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, Tamang etc). They do not have any indigenous ancestral cultural and ritual sites to be relocated and no impact on cultural/ritual land, forest water sources, wild life and other natural resources which are related with the livelihood of the specific community. Discussion with the community also reveals that they have been sharing the same socioeconomic, political, and constitutional opportunities with the other groups and stand with almost similar lifestyle indicators. In fact, the indigenous people in the subproject area are different that the one as envisaged by SPS 2009 with distinct identity, living style, culture, and leadership distinct than other social beings. The IP in the project location are neither hunter nor pastoralist groups. They are not using their own distinct language for communication, and having completely independent culture and other traditional livelihood (like, fishing, hunting, collecting herbal plants).

34. The RP, in addition to compensation for the affected assets, has also provisioned vulnerable assistances to the affected indigenous households. The entitlement matrix has ensured livelihood enhancing and skill training to the significantly affected indigenous households aiming to support their livelihood improvement.

F. GRIEVANCE REDRESSAL MECHANISMS

35. According to Land Acquisition Act 1977, there is inbuilt grievance redress mechanism under the act and Chief District Officer (CDO) is responsible to resolve the grievances related to land acquisition. However, Land Acquisition Act 1977 also 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 RP for Bahrabise subproject has provisioned GRC to minimize the grievances, ease to solve the grievances, and facilitate the compensation distribution process. The contact address of NEA web will also be provided to the displaced households, local community, and other stakeholders to lodge their grievances, if any related to acquisition and compensation. Some of the grievances submitted 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]	May 2017: <ul style="list-style-type: none"> NEA has resolved the issues through hearing at Ministry level, Compensation distribution started from the month of May 2017
2.	Request for the acquisition of additional land in Bahrabise substation site:	One of affected household in Bhrabise substation having impact on about 2 ropani (1000 sqm) land has requested the project also to acquire about 6 ropani (about 300 sqm) of land adjoining to the already acquired land. There is also an ultimatum that the previously acquired land will also not be given if NEA denies to acquire requested additional land. As per the Project design, acquiring additional

		land is useless to the project and it may not hamper the project if previously acquired 2 ropani land has to be dropped in case of unwilling to give by the displaced person. So the project is in wait and watch position till the end of compensation distribution process to decide (i) whether also to acquire additional land or (ii) not to acquire additional land even withdrawing the previously acquired 2 ropani of land if needed.
Changunarayan Substation		
2.	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].	<u>July 2016:</u> <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.
3.	Ownership of most of most of the affected land are not updated in Changunarayan subprojects: Ownership of some land has to be transferred to the family member from the name of their departed family members, some land to be distributed to family members from the name of their parents, some of the ownership documents yet to be issues, etc.	<u>June 2017</u> <ul style="list-style-type: none"> <u>Displaced land owners are contacting the project office to update their documents. The displaced households being assisted to update/receive the ownership document from the relevant government agencies.</u>

H. GAPS AND CORRECTIVE ACTION PLAN FOR MITIGATION

36. NEA has been working to strengthen the existing system of social/resettlement safeguard implementation in the changed context. The project has made an agreement with Environment and Social Safeguard Division (ESSD) in first week of June 2017 for establishing a dedicated

safeguards unit for Tamakoshi (New Khimti)- Kathmandu TL project and to take up the safeguard activities.

I. RECORDS ON DISCLOSURE OF MONITORING INFORMATION

37. 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

38. According to Project Administration Manual (PAM) the project 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).

K. INSTITUTIONAL ADJUSTMENTS TO IMPLEMENT MONITORING PLAN

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

40. 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

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

Table L-1: Status on the Focus of Last Semi Annual Period and Target for Next

S.N	Description	Status
1.	Establishment and operationalization of Safeguards Unit in the Project	<p>June 2017: Recently, an agreement has been made between the project and ESSD for facilitate the Tamakoshi-Kathmandu project on assessing, implementing and monitoring safeguard activities.</p> <p>Target for Next: ESSD will be strengthened with adequate skilled human resources and progress will be made on assessing and implementing safeguards</p>
2.	Remobilization of Land Acquisition Officer to complete land acquisition activities for Lapsephedi 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.	<p>June 2017:</p> <ul style="list-style-type: none"> • NEA has transferred the responsibility of Lapsephedi acquisition another ADB funded project (PTDEEP) • NEA has appointed another Land Acquisition Officer for Lapsephedi and official notification has already been published through the District Administration Office, Kathmandu, • Census and socioeconomic information collection has also been completed in Lapsephedi and information has been incorporated in the RP prepared for PTDEEP.
3.	Completion of land acquisition, compensation and other safeguard requirements and deed transfer for Barhabise, and Changunarayan substations sites	<p>June 2017</p> <ul style="list-style-type: none"> • About 50% compensation distribution and deed transfer activities in Bahrabise substation site (which is 25 households out of 50 affected households) • Safeguard requirements will be verified after the completion of compensation distribution activities in Bahrabise • In Changunarayan site, process of ownership updating, transferring, etc ongoing as maximum number of affected households have not updated their land ownership related documents. <p>Target for Next:</p> <ul style="list-style-type: none"> • Compensation distribution for all submitting displaced persons • Unclaimed compensation will be managed in accordance to the provision in Land Acquisition Act 1977 • Safeguards need verification and implementation
4.	Start of land acquisition for tower footings from Tamakoshi (New Khimti)- Kathmandu 220/400 kV Transmission Line with the involvement of ESSD right from the beginning in the process of determining	<p>June 2017</p> <ul style="list-style-type: none"> • Land acquisition for (i) tower footings from Tamakoshi (New Khimti)- Kathmandu 220/400 kV Transmission Line, and (ii) RoW for new 400 kV transmission line from Tamakoshi to

S.N	Description	Status
1.	Establishment and operationalization of Safeguards Unit in the Project	<p>June 2017: Recently, an agreement has been made between the project and ESSD for facilitate the Tamakoshi-Kathmandu project on assessing, implementing and monitoring safeguard activities.</p> <p>Target for Next: ESSD will be strengthened with adequate skilled human resources and progress will be made on assessing and implementing safeguards</p>
2.	Remobilization of Land Acquisition Officer to complete land acquisition activities for Lapsephedi 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.	<p>June 2017:</p> <ul style="list-style-type: none"> • NEA has transferred the responsibility of Lapsephedi acquisition another ADB funded project (PTDEEP) • NEA has appointed another Land Acquisition Officer for Lapsephedi and official notification has already been published through the District Administration Office, Kathmandu, • Census and socioeconomic information collection has also been completed in Lapsephedi and information has been incorporated in the RP prepared for PTDEEP.
	site for tower footing, fixing alignment route and RoW for new 400 kV transmission line from Tamakoshi to Kathmandu.	<p>Kathmandu will be confirmed with the involvement of ESSD right from the beginning also ensuring ESSD support in the process of determining site for tower footing, and fixing alignment route.</p> <p>Target for Next:</p> <ul style="list-style-type: none"> • Confirm tentative scope of alignment route for 400 kV transmission line and area of land to be restricted for RoW (400 kV)

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 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
	Individual tenant Sharecropper Leaseholder	Reimbursement for unexpired lease	
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

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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.

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