

Social Monitoring Report

Semi Annual Report

Loan/Grant Number: L2808/G0270/G0271

Period covered: (Jan-Jun) 2018

July 2018

NEP: Electricity Transmission Expansion and Supply Improvement Project

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

This Social Monitoring Report is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature. Your attention is directed to the "terms of use" section of this website.

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

Social Safeguard Monitoring Report

Semi Annual Monitoring Report :

Jan-Jun 2018

ADB Loan: 2808 NEP

Submitted by:



Nepal Electricity Authority
Project Management Directorate Electricity Transmission Expansion
and Supply Improvement Project
Kathmandu, Nepal

July 2018

NOTES:

The fiscal year (FY) of the Government of Nepal and its agencies ends on 16 July. FY before a calendar year denotes the year in which the fiscal year ends, e.g., FY 2016 ends on 17 July 2017.

In this report, "\$" refers to US dollars.

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

In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

CURRENCY EQUIVALENTS

(19th September 2018)

Currency unit	-	Nepalese Rupee (NRs)
USD		1.00
NRs		117.40

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
ILAAPO	-	Initially Land Acquisition Activities Processing Officer
kV	-	kilo Volt
NEA	-	Nepal Electricity Authority
RoW	-	Right of Way
RP	-	Resettlement Plan
SPS	-	ADB Safeguard Policy Statement (2009)
T/L	-	Transmission Line

Table of Contents

A.	BACKGROUND.....	6
A-1	Subproject Components and Physical Progress	7
A-2	Monitoring Requirements and Frequency of Submission	8
A-2-1	Scope of Semi Annual Monitoring Report	9
A-2-2	Reporting Period	9
B.	CHANGES IN PROJECT SCOPE AND ADJUSTED SAFEGUARD MEASURES	10
C.	QUALITATIVE AND QUANTITATIVE DATA.....	10
D.	MONITORING PARAMETERS/INDICATORS AND METHODS	10
E.	SEMI ANNUAL MONITORING RESULTS.....	14
E-1	Progress on Documentation and Approval	14
E-2	Monitoring Results Compared Against the Objectives of Safeguards	14
E-2-1	Safeguard Objectives of ETESIP	14
E-3-3	Land Acquisition and Compensation Completed Components	16
E-3-4	Remaining Land Acquisition in New Khimti -Bahrabise and Bahrabise-Kathmandu.....	16
E-3-5	Progress on Other Semiannual Targets.....	17
E-3.5.1	Brief Summary on Safeguard Implementation Status of ETESIP	18
F.	PROGRESS ON ACQUISITION AND COMPENSATION.....	19
F-1	Compensation Payment for Affected Land	19
F-2	Compensation Payment for Affected Structures	20
F-3	Compensation for Trees/ Plants	20
F-4.	Livelihood Restoration of APs.....	21
F-5.	Ensuring IPs Identity, Human Rights, Livelihood and Cultural Uniqueness	21
F-6	Grievance Redressal Mechanisms	21
F-7.	Minimizing Scope of Land Acquisition.....	22
G.	GAPS AND CORRECTIVE ACTION PLAN FOR MITIGATION	23
H.	Records on Disclosure of Monitoring Information	25
I	INSTITUTIONAL ADJUSTMENTS TO IMPLEMENT MONITORING PLAN	25
J.	PROPOSED MAJOR ITEM OF FOCUS FOR NEXT REPORT	26

List of Table:

Table A-1: Subprojects under the ETESIP	6
Table A-2: Physical/Technical Implementation Status of the Subprojects.....	8
Table A-3: Subproject Components with Land Acquisition and Resettlement Impacts	9
Table:D-1 Classification of HHs Affected due to Land Acquisition by Subprojects.....	11
Table:D-2: Project Affected HHs by Subprojects Under ETESIP	12
Table E-1: Acquisition and Compensation Completed Lands for ETESIP	16
Table-E-2: Estimated Land Area to be Acquired for Different Investment Components.....	17
Table E-3: Progress on Previous Semiannual Targets.....	17

Table E-4: Summary of ETESIP Safeguards Implementation Activities Status.....	19
Table F-1: Compensation Distribution Status for Acquired Land	20
Table F-2: Compensation Distribution Status for Displaced Structures	20
Table F-3: Compensation Distribution Status for Affected Trees	21
Table F-4: Underlying Issues and Grievances.....	22
Table K-1: Focus of Next Semi Annual Report and Safeguard Implementation Guidelines	27
APPENDIX: Copy of Entitlement Matrix prepared for Bahrabise Substation.....	24

A. Background

1. The Asian Development Bank approved Electricity Transmission and Supply Improvement Project (ETESIP) on 15 November 2011. The agreement of the project was signed on 23 March 2012 and declared effective on 21 June 2012. The project consists of Asian Development Fund (ADF) loan equivalent to USD 56 million at the time of approval (loan 2808), ADF Grant of USD 19 million (Grant 0270), and a grant from the Government of Norway, equivalent to USD 25 million (Grant 0271). The total project cost is USD 128 million. With balance (USD 28 million) being funded by NEA and Government of Nepal. In addition to the loan and grants, a capacity development technical assistance (TA 7923) amounting USD 2 million has been also approved by ADB and is piggybacked to the loan and complements on implementing of Gender and social inclusion (GESI) action plan. Originally, the physical completion date of the project was 30 June 2017 and the loan closing date was 31 December 2017. However, the project has been extended till 31 March 2020 with some changes/adjustment on the scope of Tamakoshi-Khimti and Khimti-Kathmandu transmission lines and a GIS substation and a line bay extension subproject after merging the GIS substation construction component under the PTDEEP. **Table A-1** summarizes the subproject descriptions.

Table A-1: Subprojects under the ETESIP

S.N.	Subprojects
1.	Tamakoshi-Kathmandu 220/400 kV TL
1.1	New Khimti-Bahrabise 220/400 kV Transmission Lines Construction
1.2	Bahrabise-Kathmandu 220/400kV New Transmission Line construction
3	Rehabilitation of Sundarijal HPP (640 kV)
4	Rehabilitation of Tinau HPP (1MW)
5	Augmentation of Distribution Services (East): Completed at Jare, Gaur, Nijgadh, Chandragadhi, and Belbari.
6	Augmentation of Distribution Services (west): Completed at Parasi, Amuwa and Taulihawa, while ongoing at Krishnanagar, Gorakha, Mirmi and Gaddachowki.
7	Expansion of Chapali Substation (Land already acquired under EAIP 2587)
8	Kohalpur-Mahendranagar Second Circuit
8.1	Part A-1: Second Circuit Stringing of Kohalpur-Mahendranagar 132 kV Line/Lot 1 Stringing of Second Circuit.
8.2	Part A-1:Second Circuit Stringing of Kohalpur-Mahendranagar 132 kV Line/Lot 2 Substations
9.	Upgradation of Distribution Lines: at Kathmandu, Bhaktapur, Kavrepalanchowk, Sindhupalchowk, Dolakha, Sindhuli and Ramechhap. No land acquisition required.

2. The major outputs expected by the project is to improve reliability of energy supply in Nepal through: (i) electricity transmission capacity expansion, (ii) strengthening of distribution systems including those along the Tamakoshi (Khimti)-Kathmandu transmission line, and (iii) rehabilitation of selected small hydropower plants.

3. Implementation of the Project expected to bring several positive impacts towards poverty reduction by raise on employment opportunities in the production sectors because of reliable and efficient electricity supply.

A-1 Subproject Components and Physical Progress

4. Altogether there are 8 components with subcomponents under the ETESIP (Project). Among them upgradation of two distribution substations in eastern and western Nepal have been completed and the rest are either ongoing or impended due to April 2015 earthquake. Summary description of subprojects under each components and their overall status and key issues are briefly presented in **Table: A-1**.

Table A-2: Physical/Technical Implementation Status of the Subprojects

S.N	Sub-Projects	Overall Implementation Status
A. Tamakoshi-Kathmandu 220/400 kV TL		
1.1	New Khimti - Bahrabise-Transmission Lines:Construction of 220/400 kV transmission lines	<ul style="list-style-type: none"> Contract for this package has been awarded on 27 Sep 2016 Final route alignment has already been finalized. Awaiting check survey from contractor by employer (NEA).
1.2	Bahrabise-Kathmandu 220/400kV New Transmission Line construction	<ul style="list-style-type: none"> Contract has also been awarded on 13 June 2017 Final check survey report ongoing Innumeration and marking of affected trees completed in Kavrepalanchowk district and it is ongoing in other districts
Output B: Increased Electricity Transmission		
2.	Kohalpur-Mahendranagar 132 kV transmission line – second circuit stringing (191 km)	<ul style="list-style-type: none"> Completed all 191 km second circuit stringing of this section And Substation construction at Bhurigaun Bardiya and Pahalmanpur
3.	Expansion of Chapali Substation (Land already acquired under EAEI project)	<ul style="list-style-type: none"> All the work completed and project already handed over to NEA
Output C: Expanded Electricity Distribution		
4.	Agumentation of Distribution Services (East)	<ul style="list-style-type: none"> Completed upgradation of 33/11 kV distribution substations at Chandragadhi, Damak (Buluchowk), Belbari, Jaleswor, Gaur, and Nijgad
5.	Agumentation of Distribution Services (West)	<ul style="list-style-type: none"> Upgradation of 33/11 kV substation at Parasi, Amuwa, and Taulihawa, Krishnanagar, Gorkha, Gaddachauki, and Jare has been charged since September 2018. Work in Mirmi has been delayed due to non performance of contractor. Now remaining work has been taken over by 02 package of ADB project.
6.	Upgradation of Distribution Lines	<ul style="list-style-type: none"> Completed the upgrading works at earthquake stricken areas at Kathmandu, Bhaktapur, Kavrepalanchowk, Sindhupalchowk, Dolkha, Sindhuli and Ramechhap. Some maintenance work ongoing in earth quake stricken area and road transmission.
Output D: Enhanced Electricity Generation		
7.	Rehabilitation of Sundarijal HPP (640 kV)	<ul style="list-style-type: none"> Contract agreement signed. Rehab works will be carried out at NEA's own premises, hence LA not required. However, the construction work is awaiting to complete about 500 meter road to be black topped for which bidding process is ongoing.
8.	Rehabilitation of Tinau HPP (1 MW)	<ul style="list-style-type: none"> The project has been taken out from the scope of ETESIP due to time span required to conduct IEE as per the Government requirement to carry out this project.

A-2 Monitoring Requirements and Frequency of Submission

5. As per the ADB reporting guidelines, borrower has to submit semiannual safeguard monitoring report in the project having resettlement impacts. The semiannual report to be based on the periodical reports submitted by the Project to NEA, field verifications and meetings and consultations with affected persons, and the relevant NEA and project staff.

A-2-1 Scope of Semi Annual Monitoring Report

6. The Semiannual report contains information on execution of different subprojects/components and on implementation of land acquisition and resettlement activities and social safeguards program as applicable. The scope of this semiannual report is specifically focused to the following project components having land acquisition and resettlement scope/impact (**Table A-3**).

Table A-3: Subproject Components with Land Acquisition and Resettlement Impacts

S.N	Subproject Components
A. Tamakoshi-Kathmandu 220/400 kV TL	
1.1	New Khimti-Bahrabise Transmission Lines:Construction of 220/400 kV transmission lines
1.2	Bahrabise-Kathmandu 220/400kV New Transmission Line construction
Output B: Increased Electricity Transmission	
3.	Kohalpur-Mahendranagar 132 kV transmission line – second circuit stringing (191 km) : Land acquisition for substation component at Pahalmanpur and Bhurigaun substations
4.	Expansion of Chapali Substation (Land acquired under EAEIP project)

A-2-2 Reporting Period

7. The reporting period of this semiannual report covers from Jan 2018 to June 2018.

B. CHANGES IN PROJECT SCOPE AND ADJUSTED SAFEGUARD MEASURES

8. Some changes has been occurred in the ETESIP project scope mainly due to shifting of three substations components (Bahrabise, Lapsiphedi, and Changunarayan) under the Power Transmission and Distribution Efficiency Enhancement Project (PTDEEP) from the ETESIP. Accordingly, the scope of acquisition, compensation and other associated activities of the mentioned three subsubstation components have also been transferred under the PTDEEP.

9. After this change, the components coming under the ETESIP include (i) 400 kV Bahrabise-Khimti-Kathmandu Transmission Line, (ii) Bahrabise-Kathmandu Transmission line with two sections (Bahrabise-Lapsiphedi 400kV DC Transmission Line. Thus, the progress of this semiannual report has been prepared accordingly.

C. QUALITATIVE AND QUANTITATIVE DATA

10. The monitoring report contains both quantitative and qualitative data regarding social safeguard implementation activities. Quantitative data related to safeguard issues and implementation, affected persons, affected assets, and compensation payment status were collected through NEA/Project official record or relevant project offices. The quantitative data and subjective information were collected through consultations, meetings, discussions, unofficial dialogues with Project officials, project affected families, local communities, and other stakeholders.

D. MONITORING PARAMETERS/INDICATORS AND METHODS

11. Screening of resettlement category and classification and number and extent of impacts are the main parameter of monitoring. Based on the screening and classification of impact data, type of safeguard category has been classified in accordance to ADB SPS 2009:

- a) **Category A:** If the proposed project is 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.
- b) **Category B:** If the proposed subproject includes involuntary resettlement impacts that are not deemed significant.
- c) **Category C:** The proposed subproject has no involuntary resettlement impact.

12. The ETESIP monitoring parameters/indicators include (i) type of acquisition impacts, (ii) extent of impacts, (iii) measures adopted to mitigate the impacts, (iv) implementation status of mitigation measures, (v) consultation and dissemination, (vi) grievance redressal, (vii) compensation payment, (viii) deed transfer, (ix) resettlement and rehabilitation etc and comparative analysis of current situations.

13. With regards to ETESIP social safeguard categorization, it was classified as category “B” during the processing phase based on the feasibility data related to social safeguards.

14. Coming to the first semiannual reporting phase (July 2016- Dec 31, 2016), the ETESIP social safeguard category was classified as “A” incorporating a total of number of 79 project affected household with the total number of 355 affected persons from different subprojects having land acquisition and resettlement impacts. Table D-1 summarizes the number of affected households under each subproject.

Table:D-1 Classification of HHs Affected due to Land Acquisition by Subprojects

S.N.	Subprojects	Affected HHs	Affected Persons
1.	Chapali	58	261
2.	Bhurigaun in Kohalpur – Mahendranagar	8	36
3.	Pahalmanpur in Kohalpur-Mahendranagar	13	58
	Total	79	355

Notes:

1. All the subprojects except Bahrabise were designed under the ADB funded Energy Access and Energy Improvement Project (EAEIP) and the project was designed in between Jan –June 2009.
2. During the feasibility, detail impact assessment of the Butwal-Kohalpur-Mahendranagar subproject was not carried out due to (a) time constraints, and (b) it was yet to confirm about the inclusion of this section under the project.
3. Land acquisition and compensation for the affect assets as mentioned s.n. 3,4, & 5 was carried out by NEA without the involvement of resettlement specialists considering the impact in this section to be less. Therefore, detail socioeconomic survey of the project affected families seems lacking to classify the project affected family based on extent of acquisition impacts.
4. Similarly, land acquisition for Chapali substation was also carried out during the preparation of ADB funded Energy Access and Energy Improvement Project (EAEIP). socio-economic information of the project affected families even in this subproject could not be collected during the feasibility as the affected land in the subproject site were owned by outsiders. Therefore, the number of family members in Butwal-Kohalpur-Mahendranagar and Chapali subprojects were calculated based on the national average population size (4.5 person per household)

15. Accordingly, the subsequent semiannual reports were also submitted to ADB by updating and incorporating resettlement implementation and social safeguards related data even from other subprojects (e.g. Bahrabise, Changunarayan, and Lapsiphedhi).

16. However, later in 2017, NEA accommodated these components of substation construction (Bahrabise, Changunarayan, and Lapsiphedhi) under the PTDEEP. This adjustment reduced about 136 number of projected households (Bahrabise 49 HHs, Changunarayan 40, and Lapsiphedhi 47 HHs) from the scope of ETESIP. In this sense, the semiannual report (July 2017 –Dec 2017) has again classified the ETESIP safeguard categorization as “B” but there is lack of updated database and supportive qualitative information for categorization.

17. In reality, the ETESIP safeguard classification still likely to be eligible for category “A” with about 82 project affected households belonging to an estimated number of 369 affected persons from different subprojects (Table D-2)

Table:D-2: Project Affected HHs by Subprojects Under ETESIP

S.N.	Subprojects	Affected HHs	Affected Persons
1	Chapali	58	261
2	Bhurigaun in Kohalpur – Mahendranagar	8	36
3	Pahelmanpur in Kohalpur-Mahendranagar	13	58
4	Kohalpur-8Butwl second circuit (structures)	3	14
	Total	82	369

18. In addition, the project affected persons in the ETESIP likely to be further increased after the acquisition of land required for constructing new transmission towers, and also due to restriction of land except for agriculture for maintaining the RoW in Bahrabise-Kathmandu sections.

19. In conclusion, as land acquisition for tower construction and restriction of land for maintaining RoW yet to be geared up, the screening and categorization is still ongoing. Therefore, classification is an ongoing process and the involuntary resettlement category can be changed at any time with the approval of the Chief Compliance Officer as more detailed information becomes available and project processing proceeds (Paragraph 5, Annex-1, IR Good Practices, 2012). In this sense, all the information related resettlement data need to be incorporated and updated in the

semiannual reports to facilitate the authority concerned for appropriate categorization. In the sameline, information related to land acquisition and restriction for maintaining RoW in New Khimti-Bahrabise-Kathmandu 400 kV transmission line will be incorporated in the upcoming semiannual reports as available.

20. There are also some corrective measures on which the project to seek technical advise from ADB for the smooth implementation of land acquisition, compensation, and other safeguards activities:

- (i) Based on the data summarized in Table D-2 above, currently about 369 persons of 82 households have resettlement impacts under the ETESIP. The affected persons belong to Chapli substation, Bhurigaun, Pahalmanpur, and Bhairahawa under Butwal-Kohalpur-Mahendranagar transmission line project. However, socioeconomic information of these project affected families and information on the extent of loss could not be ensured due to technical reasons as mentioned in notes below Table D-2.

The project need technical support from ADB whether to incorporate these 82 households with 369 estimated affected HHs or to discard them from the list of categorization because socioeconomic information and extent of impacts of these HHs are not available to measure the number of HHs having more than 10% land loss to consider as significantly affected households.

- (ii) For assessing the resettlement impact in New Khimti- Bahrabise-Kathmandu 400 kV transmission line:
 - (a) whether to incorporate the information of project affect households only having more than 10% permanent loss of land or all the affected households irrespective the type and extent of impact.
 - (b) It may be noted that in 400 kv transmission line project though the acquired area is small piece of acquired or land restricted just to maintain the RoW may also cause significant impacts also affecting adjoining properties due to positioning of high voltage transmission towers and RoW of high voltage cables. This means, people may also likely to be affected due to positioning of transmission towers and stringing of high voltage line depending upon several local situation and technical reasons.

E. SEMI ANNUAL MONITORING RESULTS

E-1 Progress on Documentation and Approval

21. Some of the ETESIP components do not have any impacts on social safeguards as they belong to augmentation of existing substations, upgradation of distribution lines, rehabilitation projects etc. However, some of the ETESIP components require impact mitigation measures as per the SPS (2009) which include; (i) Construction of 220/400 kV transmission lines under Bahrabise-New Khimti, and (ii) Construction of 220/400kV New Transmission between Bahrabise- Kathmandu. Table A-2 provides the list of subprojects under the ETESIP requiring social safeguard.

22. The scope of the project components in the ETESIP has been changed after shifting Bahrabise, Lapsephedi, and Changanarayan components under the PTDEEP package. As per this change, the resettlement plans of New Khimti-Bahrabise and Bahrabise-Kathmandu have to be prepared and approved from the NEA and ADB.

E-2 Monitoring Results Compared Against the Objectives of Safeguards

E-2-1 Safeguard Objectives of ETESIP

23. The ETESIP objective is to compensate to all the affected persons having impacts on their land and other assets at replacement cost, ensure shifting, relocation assistances for them having impact on their residential, commercial and other assistances and also rental cost to them requiring rental accommodation due to impacts on their structures. In addition, the project also provides vulnerability assistances to applicable affected persons (e.g. dalit households, indigenous people households, single women headed households, households having persons with disabilities, households having senior citizens etc.). The Resettlement Plan has also provision of livelihood improvement/skill trainings to the vulnerable and significantly affected households (e.g. households having impact of more than 10% of cultivating land, households having loss of their structures, households having loss on business or earning sources).

24. The Entitlement Matrix (EM) of ETIESP prepared during the feasibility phase has provision of following entitlements for the APs:

- (i) **Permanent acquisition of agricultural/ residential/ commercial and other privat 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.

- (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 of 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 corridor of RoW due to stringing of T/L at current market price based on average production of the affected area, etc.

25. The matrix of detailed entitlement provisions for different types of losses is included in **Appendix-1**.

E-3-3 Land Acquisition and Compensation Completed Components

26. The project has already acquired about 5.897 ha of land for the implementation of three subprojects– substation construction at Kailali, Pahalmanpur, second circuit stringing for Bardia Neulapur (route change in certain section), and Chapali substation (Table-E-1). The land acquisition plan for Chapali Substation Expansion was prepared during the ADB funded EAEIP preparation in 2009. The compensations for all the affected persons for their assets has already been distributed by the project except for Bahrabise-New Khimti-Kathmandu 400 kV transmission lines. The details of already compensated assets has been maintained in the project office.

Table E-1: Acquisition and Compensation Completed Lands for ETESIP

S.N	Description of Impacts	Area Acquired in Ropani or Bigha as applicable (Approximately)	Area Acquired in sqm	Area in ha
1	Land required for Substation construction at Kailali, Pahalmanpur Ward No.2	3-0-9	20935	2.093
2	Land impacted due to 132 kV Second circuit stringing at Bardiya, Neulapur Ward No. 6, Bhurigaun(Bigha-Kattha-Dhur)	3-1-5	20741.17	2.074
3	Land Acquisition for Expansion of Chapali Substation	34-0-0	17297.16	1.73
Total of Land Acquired and Compensated			58973.33	5.897

E-3-4 Remaining Land Acquisition in New Khimti -Bahrabise and Bahrabise-Kathmandu

27. The remaining land acquisition and compensation under the ETESIP covers the entire alignment sections of New Khimti- Bahrabise- 400 kV and Bahrabise-Kathmandu 400 kV transmission line construction and associated activities.

28. Based on discussion with the project officials and review of monthly progress reports, in **Package 1**: final route alignment for the transmission line has already been finalized. At this point, the project is waiting to complete the check survey of this alignment by the contractor. As per the project design, there are 110 towers to be constructed in Bahrabise-Khimti section. Out of those, the project has completed the land parceling works for 23 tower pads and parceling for the remaining towers is ongoing (**Table E-2**).

29. In the case of Package 2: detail survey has been completed. The route alignment for 400 kV Transmission Line has also been completed. Preliminary land parceling for tower and RoW has been completed and remaining associated tasks ongoing. Final check survey (repeated) ongoing. Based on the monthly report of the project (June, 2018), a total number of 119 tower pads are to be constructed. Out of which, land to be acquired are for 46 towers in this section and remaining towers will be constructed in the Government land (**Table E-2**). The actual area of land with details of ownership will be calculated after verifying the official records and identifying the land owners and details of affected land parcels.

Table-E-2: Estimated Land Area to be Acquired for Different Investment Components

S.N.	Subproject Name	Acquisition Type	Progress	Remaining
1.	New khimti-Bahrabise 220/400 kV TL project	Land parceling for acquisition to construct 110 tower pads	Completed land parceling for 23 tower pads	87
2.	Bahrabise Kathmandu 400/220 kV TL Project	Acquisition of land for constructing 119 tower pads	Completed cadastral survey and land parceling for 30 tower pads	16
Total Progress		129	53	103

Source: Monthly Progress Report, June 2018

E-3-5 Progress on Other Semiannual Targets

30. The semiannual monitoring also reviews the progress on some semiannual targets and some impending activities that are also tantamount to complete the safeguard implementation activities. The latest status of such activities has been summarized in **Table E-3**.

Table E-3: Progress on Previous Semiannual Targets

S.N	Description	Status
1.	Establishment and operationalization of Safeguards Unit in the Project	A contract has been signed between the Project Office and ESSD after the approval of proposal submitted by Environmental and Social Studies Department (ESSD) for the establishment and operationalization of Safeguards Units in the project and mobilize the field level social safeguard staffs (Environmental and Social).
2.	Consultation and Communication	Suitable accommodation for ESMU has been identified at Bahrabise. However, social and environmental monitor yet to be recruited (being processed)

3.	Cadastral Survey	Collecting cadastral maps for New Khimti-Bahrabise ongoing and it is completed in Sindhupalchowk district and cadastral mapping is ongoing in other districts. Final report yet to be received.
4.	Completion of land acquisition, compensation and other safeguard requirements and deed transfer of relevant compensated subprojects including Bahrabise, Changunarayan, Lapsephedi, Chapali and others.	<ul style="list-style-type: none"> - Compensation distribution and ownership transfer in Bahrabise (completed, 43 households out of 50 HHs) - Compensation distribution and ownership transfer in Changunarayan (completed 37 out of 40 HHs) has been completed. - Compensation distribution and ownership transfer in Completed subprojects (Chapali Substation). - Compensation distribution and ownership transfer in land required for Substation construction at Kailali, Pahalmanpur Ward No.2: completed under the subproject - Compensation distribution and ownership transfer in Land required for 132 kV Second circuit stringing at Bardiya, Neulapur Ward No. 6, Bhurigaun: completed under the project.

E-3.5.1 Brief Summary on Safeguard Implementation Status of ETESIP

31. Table E-4 provides summarizes the overall safeguard implementation status of the ETESIP:

Table E-4: Summary of ETESIP Safeguards Implementation Activities Status

S.N	Sub-Projects	Overall Implementation Status
A. Tamakoshi-Kathmandu 220/400 kV TL		
1.1	New Khimti -Bahrabise Transmission Lines:Construction of 220/400 kV transmission lines	<ul style="list-style-type: none"> Final route alignment has already been confirmed. Awaiting check survey from contractor by employer (NEA). Land parceling at site is ongoing
1.2	Bahrabise-Kathmandu 220/400kV New Transmission Line construction	<ul style="list-style-type: none"> Detail survey completed for the routealignment for 400 kV upto Lapsephedi. Land parceling for tower pad and land parceling for RoW completed. Final check survey report ongoing
Output B: Increased Electricity Transmission		
3.	Kohalpur-Mahendranagar 132 kV transmission line – second circuit stringing (191 km)	<ul style="list-style-type: none"> Completed land acquisition and compensation payment activities (Pahalmanpur and Bhurigaun)
4.	Expansion of Chapali Substation (Land already acquired under EAEI project)	<ul style="list-style-type: none"> Land acquisition,compensation distribution, construction works completed. Project handed over to NEA
Output C: Expanded Electricity Distribution		
5.	Agumentation of Distribution Services (East)	<ul style="list-style-type: none"> No land acquisition
6.	Agumentation of Distribution Services (West)	<ul style="list-style-type: none"> No land acquisition
7.	Upgradation of Distribution Lines	<ul style="list-style-type: none"> No land acquisition
Output D: Enhanced Electricity Generation		
8.	Rehabilitation of Sundarijal HPP (640 kV)	<ul style="list-style-type: none"> No land acquisition
9.	Rehabilitation of Tinau HPP (1 MW)	<ul style="list-style-type: none"> No land acquisition

F. PROGRESS ON ACQUISITION AND COMPENSATION

F-1 Compensation Payment for Affected Land

32. For some investment components, the ETESIP has already distributed compensations for the land acquired under the project. After the adjustment of the Project's scope the total area of acquired and compensation paid area is about 5.78 ha in Kathmandu, Bardiya, Bhuregaun, and Mahandranagar, Pahalmanpur affecting altogether 79 households (**Table F-1**).

Table F-1: Compensation Distribution Status for Acquired 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
	Total	79	5.78	79

F-2 Compensation Payment for Affected Structures

33. The project has also compensated for ten (10) affected structures in Chapali, Butwal-Mahendranagar: Bhuregaun Substation and Butwal-Mahendranagar:Pahalmanpur Substation (Table F-2).

Table F-2: Compensation Distribution Status for Displaced Structures

S.N.	Subproject Name	Displaced HHs	No. of Displaced Structures	Compensation Paid/Received HHs
1.	Chapali Substation ¹	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, and [2] & [3] The households also have affect on their land

F-3 Compensation for Trees/ Plants

34. The project has also distributed compensation for the loss of standing trees for five affected households while acquiring land at Pahalmanpur and Bhuregaun for substation construction under Butwal-Mahandranagar Second Circuit Stringing (Table-F-3).

¹ Compensation distribution for Chapali substation has already been paid under ADB funded energy access and improvement project

Table F-3: 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

F-4. Livelihood Restoration of APs

35. 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 standards of living of the displaced poor and other vulnerable groups. Accordingly, there is practice of imparting livelihood improvement and skill development training to project affected vulnerable households. The scope of livelihood restoration and skill training under ETIESP to be applicable in (i) New Khimti-Bahrabise 400 kV Transmission Line Construction and (ii) Bahrabise- Kathmandu 400 kV TL construction components.

F-5. Ensuring IPs Identity, Human Rights, Livelihood and Cultural Uniqueness

36. Acquisition of land for New Khimti-Bahrabise and Bahrabise-Kathmandu also likely to have impact to the vulnerable households including indigenous groups. The actual number of affected vulnerable HHs will be identified after the completion of processing land acquisition of tower construction and maintaining ROW for the new transmission lines. The entitlement matrix has also ensured livelihood enhancing and skill training to the significantly affected indigenous households for their livelihood improvement.

F-6 Grievance Redressal Mechanisms

37. Despite the provision for Grievance Redress Committee in Land Acquisition Act 1977 and approved Resettlement Plan of the Project to facilitate the grievances, , The project yet to officially coordinate to facilitate the district level stakeholders (e.g. Chief District Officer, District Land Revenue Office etc) and activate and mobilize local community to form Local Consultative Forums (LCF) in different locations along the transmission line corridor. Currently, the project affected families and the relevant stakeholders have been contacting the project officials and project office for their grievances and the project office itself, with the support project affected persons, local community and district level line agencies facilitating to address the grievances and formal Grievance Redress Committee yet to be formed. , Some of the major grievances

submitted/delivered by the local people in different section of the transmission line are summarized in **Table F-4**.

Table F-4: Underlying Issues and Grievances

S.N.	Grievances/Issues	Action Taken and Status
Ramechhap/Phulasi		
1.	Unwillingness to give land: One of the project affected family has shown unwillingness to give land for tower pad construction.	Upon receiving verbal complaint, the project office is trying to negotiate with the relevant land owner to resolve the issues.
Dolakha/Ghoksila		
2.	Objection on positioning towers and RoW : About 15-20 households in this location have suddenly objected to use land for tower construction.	The project is arranging site visit to coordinate with the local people for resolving the issues
Sindhupalchowk/Mudhe		
3.	Unwillingness to give land: One of the affected person has objected to acquire his land for tower construction.	The project is coordinating with relevant persons to address this issue.

F-7. Minimizing Scope of Land Acquisition

38. One of the objective of ADB SPS is to minimize the scope of acquisition as much as feasible and practicable. Accordingly, land acquisition in ETESIP has been minimized by using the available land owned by NEA and utilizing the Government land. ETESIP efforts on minimizing the scope of land acquisition may also be reflected through the utilization of Government land in different sections of Bahrabise –Kathmandu 400 kV transmission lines by utilizing the available and permissible government land.

G. GAPS AND CORRECTIVE ACTION PLAN FOR MITIGATION

39. The NEA has been realizing a sort of absence on environmental and social safeguard implementing mechanisms in the official organogram and also direct allocation of fund under the implementation department. In order to bridge this gap, currently, the NEA is working to strengthen a full fledged institutional mechanism for effective implementation of environmental and social safeguards in ADB funded projects.

40. Accordingly, at the central level, NEA has been working to strengthen the existing system of environmental and social/resettlement safeguards implementation by institutionalizing at PMD level. According to this, a Project Management and Coordination Department or PMCD (name yet to be finalized) has been provisioned at the PMD Office. Under the Project Management Office, the PMCD to provide overall support on designing, implementing, monitoring and other activities related to environmental and social safeguards implementation in the ADB funded projects. Among others, the department will also be involved on fund ensuring, hiring/managing human resources, accessing, planning, implementing, and regular monitoring of social and environmental safeguards related activities including internal and external monitoring as per the SPS (2009) report preparation, and overall quality control. Currently PMD is working on this.

41. For the environmental and social safeguards implementation at field levels, the project has hired Environmental and Social Studies Department to carry out field based monitoring by environmental specialist and social development specialist on day to day implementation activities to be carried out in (i) New Khimti- Bahrabise-Khimti 400 kV and (ii) Bahrabise-Kathmandu 400 kV transmission line. The project has also made provision for a separate field based team to monitor and support the field based environmental and social activities. For this, the project has initiated the hiring process of field based monitoring staff (environmental and social) to establish a field based Environmental and Social Monitoring Unit to be posted in the site office at Bahrabise for the overall monitoring of field activities and to provide necessary support.

42. The following activities will also be carried by the project to accelerate the environmental and social safeguard implementation, grievance redressal and training to the field level project monitoring and supervising staffs:

- (i) Project to prepare resettlement plan for New Khimti-Bahrabise subproject with clear cut provision of GRC and its functional mechanism, representation of

different type of stakeholders and formation of different GRC based on geographical location and other criteria as applicable, positioning of field based environmental and social staff to support the local community to raise awareness about GRC, record the received complaint in written, convencing the community about the benefit of GRC on relolving the issues, time saving, maintaining fairness and prompt decision etc.

- (ii) Project to request to CDO for processing land acquisition as well as for the formation of GRM through official letter to CDO to accelerate the land acquisition and formalize GRM. The project to prepare resettlement plan for New Khimti-Bahrabise-Kathmandu 400 kV TL subproject.
- (iii) Project of provide orientation and practical training to the field based environmental and social staff/consultant through internal human resources or ESSD
- (iv) The field based environmental and social monitoring and support consultant also to be provided necessary skill theough ESSD before mobilization to the field as there is contract between the project and ESSD also for such support.

H. RECORDS ON DISCLOSURE OF MONITORING INFORMATION

43. The NEA through its relevant project office has been maintaining records on disclosures regarding the environmental and social activities.. As per the prevailing systems, each subproject submits monthly progress reports to the PMD and relevant divisions of NEA. The PMD, based on the monthly progress reports, field observations, and consultations and discussions prepares semiannual report and submit to ADB and the finalized report will be uploaded in ADB web.

I. INSTITUTIONAL ADJUSTMENTS TO IMPLEMENT MONITORING PLAN

44. Currently, NEA has been working for the institutional adjustment of the safeguards implementation under the Project Management Directorate (PMD) with a separate unit “ Project Management Coordination Division (PMCD)”. As per the initial sketch there will be separate sections for environmental management and social management (the organogram still being worked out and finalized) Therefore, after completion of the institutional arrangement for safeguard implementation monitoring and its application the need of institutional adjustment may require.

J. PROPOSED MAJOR ITEM OF FOCUS FOR NEXT REPORT

45. The preparatory tasks related to land acquisition is currently being carried out by the contractors of Package 1 and Package 2 of New Khimti-Bahrabise-Kathmandu transmission line. If the situation goes smoothly, it has been anticipated that about 3 months period of time may require to finalize the land to be acquired for constructing towers and land to restrict for maintaining RoW route and area in both packages (package 1 and Package 2). However, comparatively the work progress of the Package 2 contractor is relatively slow in terms of field work, updating the work progress with updated data to the project and keeping information on the progress made. However, considering the underlying situation the focus of next semiannual report assumed to be on the land acquisition progress and safeguard compliance as summarized in **Table K-1**.

Table K-1: Focus of Next Semi Annual Report and Safeguard Implementation Guidelines

S.N	Description	Status
1.	<p>The draft RP prepared in 2015 for Bahrabise Substation is mainly focused on accessing and mitigating impact related to land acquisition in the substation sites. It doesn't contain detail scope of acquisition even for the 400 kV transmission line (Bahrabise-New Khimti) and Bahrabise-Kathmandu. It is mainly due to lack of confirmed alignment routes while preparing the RP. Next, the Bahrabise substation component has been accommodated under the PTDEEP. By now some progress has been made in Bahrabise – New Khimti and Bahrabise-Kathmandu 400 kV TL components. Route alignment being confirmed, identified tentative number of tower pads to be constructed, estimated numbers and area of parcels to be acquired and information on the likely affected land and affected persons.</p> <p>In this changed context, it may be relevant to prepare a supplementary draft Resettlement Plan for (i) Bahrabise-New Khimti and (ii) Bahrabise-Kathmandu subcomponents on the basis of available data and information in a way to be supplemented the remaining data in the future while updating the RP.</p>	Draft RP expected to be completed by March 2019 depending on contractors' progress on providing final data on land acquisition and RoW restriction area, route, land letails and list of project affected families
2.	Get approval on the supplementary draft resettlement plan from NEA as well as ADB and submit to respective CDOs along with summary translated in Nepali for processing the necessary tasks like; compensation rate determination, formation of grievance redressal committee and then compensation	RP approval will be sought by April 2019 if , RP could be completed by March 2019
3.	Hiring of field based environmental and social experts to pursue field based monitoring activities and also involving on project implementation related activities.	Expected to be hired by December 2018
4.	Formation of Local Consultative Forum (LCF): to accelerate the land acquisition and restriction to use, compensation and associated safeguarding activities with the active involvement of local communities in the potential and appropriate location in between (i) Bahrabise-New Khimti and (ii) Bahrabise-Kathmandu subcomponents	Expected to to form GRC coordinating with the CDO of respective districts by Decemer 2018
5.	Consultation with the likely affected persons, local communities, and other local stakeholders across the alignment routes and transmission towers' location for disclosure, disseminate information about the project and its benefits, project's provision for skill training and livelihood improvement	<p>1st level of consultation has already been carried out and completed on June 2018. The consultation was carried out with the community forest users groups and also organizing general assembly through District Forest Committee incorporating all the local people. Project Manager and Engineers have participated in these consultations</p> <p>Next consultation will be carried out while socioeconomic and census survey for preparing RP.</p>

S.N	Description	Status
1.	<p>The draft RP prepared in 2015 for Bahrabise Substation is mainly focused on accessing and mitigating impact related to land acquisition in the substation sites. It doesn't contain detail scope of acquisition even for the 400 kV transmission line (Bahrabise-New Khimti) and Bahrabise-Kathmandu. It is mainly due to lack of confirmed alignment routes while preparing the RP. Next, the Bahrabise substation component has been accommodated under the PTDEEP. By now some progress has been made in Bahrabise – New Khimti and Bahrabise-Kathmandu 400 kV TL components. Route alignment being confirmed, identified tentative number of tower pads to be constructed, estimated numbers and area of parcels to be acquired and information on the likely affected land and affected persons.</p> <p>In this changed context, it may be relevant to prepare a supplementary draft Resettlement Plan for (i) Bahrabise-New Khimti and (ii) Bahrabise-Kathmandu subcomponents on the basis of available data and information in a way to be supplemented the remaining data in the future while updating the RP.</p>	Draft RP expected to be completed by March 2019 depending on contractors' progress on providing final data on land acquisition and RoW restriction area, route, land details and list of project affected families
2.	Get approval on the supplementary draft resettlement plan from NEA as well as ADB and submit to respective CDOs along with summary translated in Nepali for processing the necessary tasks like; compensation rate determination, formation of grievance redressal committee and then compensation	RP approval will be sought by April 2019 if , RP could be completed by March 2019
3.	Hiring of field based environmental and social experts to pursue field based monitoring activities and also involving on project implementation related activities.	Expected to be hired by December 2018
6.	Accelerate verification, identification, processing for compensation, for acquired assets and restricted land in both Bahrabise-New Khimti and Bahrabise-Kathmandu sections of the TL components.	After approval of RP
7.	Accelerate to complete acquisition, compensation and other safeguarding as well as deed transfer activities	June 2019
8.	Initiate RoW restriction and compensation process for RoW and permanently acquired land for towers in Tamakoshi-Khimti-Kathmandu 400 Transmission Line	Ongoing preliminary activities
9.	Ensure budget of land acquisition and other associated activities	Already ensured budget
10.	Fixation of compensation Rate for the structures affected due to RoW impacts	July 2019
11.	And other relevant progresses	

Note: The serial numbers in the table does not indicate the priority of recommended actions

APPENDICES

Appendix-1

Table 10: Entitlement Matrix

Type of Losses	Definition of Aps	Entitlement	Details
1. Land			
Loss of agricultural land	<p>Titled owners</p> <p>Affected persons (APs) with traditional land rights</p>	<p>Compensation based on market/replacement value</p> <p>Resettlement assistance</p> <p>Additional Assistance to vulnerable¹ Aps</p>	<p>In case of compulsory acquisition of land, compensation will be based on market value. The CDC will include VDC representative and representatives (one female and one male) as invitees in the Committee</p> <p>In case of land to be possessed by the project authority with mutual and voluntary consent of the affected people, compensation will be paid on estimated market price as decided by the CDC. 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> 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 .</p>
	Individual tenant Sharecropper leaseholder	Reimbursement for unexpired lease	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	<p>Cash compensation at replacement cost as determined by competent authority</p> <p>All fees, stamp duties, taxes and other charges, as applicable under the relevant laws, incurred in the relocation and rehabilitation process, are to be borne by the EA.</p> <p>Additional allowances will be paid to vulnerable APs</p>

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

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

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

28

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 assistance and	Unforeseen impacts will be documented and mitigated based on the principles agreed upon in the resettlement framework.