

Social Monitoring Report

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Nepal: South Asia Subregional Economic Cooperation Power Transmission and Distribution System Strengthening Project

Prepared by Nepal Electricity Authority for the Government of Nepal and the Asian Development Bank.

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CURRENCY EQUIVALENTS

(As of 30 Jun 2021)

Currency unit	–	Nepalese Rupee (NRs)
US\$1.00	=	NRs118.709
NRs1.00	=	US\$0.008

ACRONYMS

ADB	- Asian Development Bank
AP	- Affected person
CDC	- Compensation Determination Committee
CDO	- Chief District Officer
DMD	- Deputy Managing Director
EA	- Executive Agency
SSEMD	- Social Safeguard Environmental Management Department
EUC	- Electricity Users Cooperative
FGL	- Finish Ground Level
GoN	- Government of Nepal
GRC	- Grievance Redress Committee
GESI	- Gender Equality and Social Inclusion
GIS	- Gas Insulated Switchgear Substation
Ha	- Hectare
HHs	- Households
IR	- Involuntary Resettlement
JFPR	- Japan Fund for Poverty Reduction
kV	- kilo Volt
NEA	- Nepal Electricity Authority
MVA	- Mega Volt Ampere
PPTA	- Project Preparatory Technical Assistant
PTDSSP	- Power Transmission and Distribution System Strengthening Project
PMD	- Project management directorate
PSC	- Project Supervision Consultant
RoW	- Right of Way
RP	- Resettlement Plan
SPS	- ADB Safeguard Policy Statement (2009)
SEP	- Stakeholder Engagement Plan
TA	- Technical Assistance

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EXECUTIVE SUMMARY

1. In 2020, ADB approved the SASEC Power Transmission and Distribution System Strengthening Project (PTDSSP) to achieve the reliable and efficient electricity for all by 2028 and energy trade infrastructure in South Asia Subregional Economic Cooperation (SASEC) countries improved. The Asian Development Fund (ADF) loan equivalent to about \$200 million was approved by ADB on 26 June 2020 together with a Grant: Government of Norway of \$35 million (collectively called the Facility). The Facility agreements were signed on 27 August 2020 and declared effective on 24 November 2020. The physical completion date is 31 December 2025.

Table 1.1: Brief Information on Project

ADB loan number	3943-NEP
Project title	SASEC Power Transmission and Distribution System Strengthening Project (PTDSSP)
Borrower	Nepal
Executing Agency	Nepal Electricity Authority (NEA)
Implementing Agency	Nepal Electricity Authority (NEA)
Total Project Estimated Cost	\$ 322 Million
Counterpart funds and co-financing	ADB Loan: \$ 200,000,000 Grant: Government of Norway : \$ 35,000,000 Counterpart Funds (GoN & NEA): \$ 87,000,000
Date of Approval	26 June 2020
Signing of the ADB Loan	27 August 2020
Effectiveness of the Loan	24 November 2020

2. The project will contribute to Nepal's Transmission & Distribution system strengthening in the Kathmandu Valley and other major urban centers by scaling up distribution system efficiency and reliability, facilitating adequate power supply to meet ever-growing energy needs of the valley, increasing service reliability of the utility and building capacity for the overall distribution system development.
3. The main objectives of PTDSSP are to achieve the reliable and efficient electricity for all by 2028 and energy trade infrastructure in South Asia Subregional Economic Cooperation (SASEC) countries improved. This will be done through the strengthening of the transmission grid capacity, enhanced capacity and rehabilitating the distribution network in the project areas and enhancing operational performance of NEA distribution centers. The project shall be utilizing the US\$200 million loan approved by the Asian Development Bank and an assistance grant equivalent to US\$ 35 million from the Government of Norway. The project also aims to develop NEA's capacity to operate & manage an advanced distribution system and intelligent network (smart grid) technology with Gender Equality and Social Inclusion (GESI) aspects in electricity access and end-user awareness programs.
4. This monitoring report is prepared based on important parameters/indicators including: (i) type of impact due to land acquisition, (ii) extent of impacts, (iii) measures adopted to minimize impacts, (iv) implementation status of mitigation measures, (v) consultation and participation, (vi) grievance redressed, (vii) compensation payment and (viii) implementation of resettlement and rehabilitation activities.

5. Currently, the project has just entered in the implementation stages. Out of 9 Contract packages, only 6 Contract Packages are signed, and the progress is in design stage and 3 packages are still under tendering stage/planning stage.
6. Various tools were used to collect data and information and to identify issues related to compensation process which include: (i) Observation to collect data and information of the Affected Persons (AP) in particular and community as a whole, (ii) Interview, focused group discussions, village mapping and data collection utilizing other participatory rule appraisal (PRA) techniques with APs, community members, workers and officials/other stakeholders to collect data and information, (iii) Public Consultation /Meetings with affected community and officials, and (iv) Formal consultation with representatives of local elected bodies & concerned stakeholders aligning with project objectives.
7. The backlog issue of the payment of the compensation for 1HHs at Barhabise Substation and 3HHs at Lapsiphedi Substation is not resolved yet.
8. The payment of the compensation for 15 affected household by 8 substations at various location has been completed. The payment for the remaining 2 Households, one at Bardibas substation and Pokhariya substation is in progress.
9. The Resettlement Action Plan (RAP) has described the mechanism of the GRM and the provision for the formation of the Grievance Redressal GRC has made mandatory during the implementation to ensure grievances are addressed properly in a timely manner.
10. Till the reporting time no GRC has been formed at project site as all the projects are in very early stage of the implementation.
11. Due to covid-19 pandemic it is almost very difficult to organize the consultation meeting during the reporting time. However, some of the subprojects Like Pokhariya substation are in the stage of preparation of IEE so consultation during the preparation of such report is also taken into consideration. Besides this some informal telephone calls and virtual meetings has been organized to settle the outstanding issues.
12. At each stage, certain engagement activities are being conducted/will be conducted to keep the stakeholders informed and they are being/will be reached for their feedback.

1 INTRODUCTION

1.1 BACKGROUND

Asian Development Bank (ADB) approved the loan for the SASEC 'Power Transmission and Distribution System Strengthening Project (PTDSSP) on 26 June 2020. The Facility agreements were signed on 27 August 2020 and declared effective on 24 November 2020. The project is expected to be completed by 31 December 2025. The project will contribute to Nepal's transmission & distribution system the reliable and efficient electricity for all by 2028 and energy trade infrastructure in South Asia Subregional Economic Cooperation (SASEC) countries improved.

The main objective of PTDSSP is to achieve the reliable and efficient electricity for all by 2028 and energy trade infrastructure in South Asia Subregional Economic Cooperation (SASEC) countries improved. This will be done through the strengthening of the transmission grid capacity, enhanced capacity and rehabilitating the distribution network in the project areas and enhancing operational performance of NEA distribution centers. The project shall be utilizing the US\$200 million loan approved by the Asian Development Bank and an assistance grant equivalent to US\$ 35 million from the Government of Norway. The project also aims to develop NEA's capacity to operate & manage an advanced distribution system and intelligent network (smart grid) technology with Gender Equality and Social Inclusion (GESI) aspects in electricity access and end-user awareness programs.

1.2 BRIEF PROJECT DESCRIPTION

The project shall lead to enhanced reliability of availability of electricity in the target area by bringing in substantial infrastructure enhancement in transmission & distribution network.

The project shall lead to enhanced reliability of availability of electricity in the target area by bringing in substantial infrastructure for strengthening transmission & distribution network. The major project components are classified in Table 1.2 below:

Table 1.2: Details of Project and its Components

S.no.	Components	Packages	Scope of Work	Status
1	Component A	Contract Package A1- Construction of 132 kV underground transmission line and 132/66/11kV Substation at Koteswor	<ul style="list-style-type: none"> • Construction of approx. 12 km of 132kV D/C underground Cable T/L from existing Bhaktapur S/S to Koteswor/Lokanthali substation via existing Thimi switching station • Construction of approx. 2 km 66kV D/C Underground Cable T/L from Koteswor/Lokanthali substation to existing Baneshwor substation • Construction of 2x45MVA 132/11kV GIS type Thimi Substation • Construction of 2x45MVA 132/11kV and 2x63MVA 132/66kV GIS type Koteswor/Lokanthali Substation • 132kV Bay extension at Bhaktapur Substation • 66kV Bay extension at Baneshwor Substation 	Bid package for 132 kV underground (UG) Line from Bhaktapur SS to Thimi SS (including Bay-Extension at Bhaktapur SS and Line Termination at Thimi SS) is under preparation.
2		Contract Package A2- Upgrading of substations in Khimti 1, Barhabise and Lapsiphedi	<p>400/220 kV GIS Substation at New Khimti</p> <ul style="list-style-type: none"> • 2 nos. of 400 kV Bays to terminate 400 kV D/C Quad Moose ACSR lines from Bahrabise. • 2 nos. of 400kV Auto Transformer bays for connecting each bank of 315 MVA, 400/220 kV Auto Transformers formed with 4 numbers (400/√3)/(220/√3/33) kV,105 MVA, single phase auto transformers with one number unit as spare • Extension of 2 nos. of 220kV Auto Transformer GIS bays at under construction 220kV New Khimti Substation <p>400/220 kV GIS Substation at Barabishe</p> <ul style="list-style-type: none"> • 2 nos. Bays to terminate 400 kV D/C Quad Moose ACSR lines from Lapsiphedi. • 2 nos. Bays to terminate 400 kV D/C Quad Moose ACSR lines to New Khimti. • 2 nos. of 400kV Auto Transformer bays for connecting each bank of 160 MVA, 400/220 kV Auto Transformers formed with 4 numbers(400/√3)/(220/√3/33) kV,53.33 MVA, single phase auto transformers with one number unit as spare • 1 nos. bay for connecting 1 no. ., 420 kV, 50 MVAR Three Phase Shunt Reactor along with supply and installation of reactor. • Extension of 2 nos. of 220kV Auto Transformer GIS bays at under construction 220kV Barabishe Substation <p>400/220 kV GIS Substation at Lapsiphedi</p> <ul style="list-style-type: none"> • 2 nos. Bays to terminate 400 kV D/C Quad Moose ACSR lines from Barabishe. • 2 nos. Spare Bays to terminate 400 kV D/C Quad Moose ACSR lines. 	<p>Contractor: M/s Grid Solution SAS France</p> <p>Status: Major Equipment and Construction drawings are being submitted by the contractor and being reviewed/approved for all three substations.</p> <p>At site of 400 kV substation, Lapsiphedi, there is agitation from local people for not having any substation, however, NEA is making all efforts to solve this issue as early as possible.</p>

			<ul style="list-style-type: none"> • 1 no. of 400kV Auto Transformer bays for connecting a bank of 315 MVA, 400/220 kV Auto Transformers formed with 4 numbers(400/√3)/(220/√3/33) kV,105 MVA, single phase auto transformers with one number unit as spare • Extension of 2 nos. of 220kV Auto Transformer GIS bays at under construction 220kV Lapsipedi Substation 	
3	Component B	<p>Contract Package B1- Distribution System Reinforcement and Modernization of Eastern - western Part of Kathmandu Valley (Kirtipur, Kuleswar, Baneswor, Balaju, and Jorpati DCs)</p>	<p>Scope of the project includes design, supply, installation, and commissioning of underground distribution network using trenchless boring methodology including reinforcement and automation.</p> <ul style="list-style-type: none"> • The major work includes the construction of underground 11 kV Line: 230 circuit km and underground 400 Volt Line: 240 circuit km, underground optical fiber laying: 230 km, • Construction and upgrading of 11 kV overhead line by AB Cable: 165 circuit km & 400 Volt overhead line by AB Cable: 240 km and RMU installation: 380 nos. 	<p>Contractor: M/s Larsen & Toubro, India</p> <p>Status: 1. The existing and proposed route survey of HT and LT network has been completed.</p> <p>2. Most of the equipment (to be supplied) GTP, drawings and Type Test Report has been approved.</p> <p>3. The Load Flow of the 51 feeders of the 5 Distribution Centers under the scope of this project has been completed and is under the review for the approval.</p> <p>4. The HT and LT network proposed drawing for Underground Network are submitted for the necessary approval.</p> <p>5. The Factory Acceptance Test of the RMU, LT AB cable and Feeder Pillars are completed and are on the process of being delivered to Contractor's Kathmandu temporary store.</p> <p>6. Seeking necessary permit for the work on the road from the Road Department, Municipalities and Local Authority.</p>

4		<p>Contract Package B2- Lalitpur and Bhaktapur Urban Distribution Network Reinforcement (Lagankhel, Pulchowk, and Bhaktapur)</p>	<p>Scope of the project includes design, supply, installation and commissioning of underground distribution network using trenchless boring methodology including reinforcement and automation.</p> <ul style="list-style-type: none"> • The major work includes the construction of underground 11 kV Line: 120 circuit km and underground 400 Volt Line: 100 circuit km, underground optical fiber laying: 120 km • Construction and upgrading of 11 kV overhead line by AB Cable: 100 circuit km & 400 Volt overhead line by AB Cable: 120 km and RMU installation: 200 nos. 	<p>Contractor: M/s Tata Projects Limited, India Status: contract is signed on 04th June 2021</p>
5		<p>Contract Package B3- Distribution System Reinforcement and Modernization of Bharatpur and Pokhara</p>	<p>Scope of the project includes design, supply, installation, and commissioning of underground distribution network using trenchless boring methodology including reinforcement and automation. Work under this project is divided into two sections (Pokhara and Bharatpur).</p> <p>Work under Pokhara section includes:</p> <ul style="list-style-type: none"> • Underground 11 kV Line: 48 circuit km & underground 400 Volt Line: 33 circuit km, underground optical fiber laying: 55 km, • Construction and upgrading of 11 kV overhead line by AAA Cable: 10 circuit km & 400 Volt overhead line by AB Cable: 20 km and RMU installation: 65 nos. <p>Work under Bharatpur Section includes:</p> <ul style="list-style-type: none"> • Underground 33 kV Line: 9 circuit km, underground 11 kV Line: 75 circuit km & underground 400 Volt Line: 70 circuit km , underground optical fiber laying: 28 km, • Construction and upgrading of 11 kV overhead line by AAA Cable: 10 circuit km & 400 Volt overhead line by AB Cable: 20 km and RMU installation: 85 nos. 	<p>Technical Evaluation of bids had been completed and sent to ADB for concurrence</p>
6		<p>Contract Package B4- Rural Electrification and Distribution Network Reinforcement in Province 2 in 5 Lots</p>	<ul style="list-style-type: none"> • Lot-1 : Construction of six (6) nos. of new 33/11kV substations and 97 ckt km of 33kV line- Saptari, Siraha & Dhanusa Districts • Lot-2 : Construction of four (4) nos. of new 33/11kV substations and 226 ckt km of 33kV line- Mahottari, Sarlahi, Rautahat, Bara & Parsa Districts 	<p>Contractor: M/s Tata Projects Limited, India and contract is signed on 04th June 2021 Status: Field survey work is going on</p>

			<ul style="list-style-type: none"> • Lot-3 : Construction of 250 circuits (ckt) km of 11kV line, 320 ckt km of 400V line and Installation of 150 nos. of Distribution Transformers - Saptari & Siraha Districts • Lot-4 : Construction of 360 ckt. km of 11kV line, 350 ckt km of 400V line and Installation of 175 nos. of Distribution Transformers - Dhanusa, Mahottari & Sarlahi Districts • Lot-5 : Construction of 340 ckt km of 11kV line, 330 ckt km of 400V line and Installation of 175 nos. of Distribution Transformers - Rautahat, Bara & Parsa Districts 	
7	Component C	Contract Package C1 (EV Charging Station)	<ul style="list-style-type: none"> • The project is being executed under the loan received by the Government of Nepal from Asian Development Bank (ADB) towards the SASEC Power Transmission and Distribution System Strengthening Project for the "Supply, Delivery, Installation, Testing, Commissioning, Operation and Maintenance of Electric Vehicle Charging Stations" under Project Management Directorate, NEA. • The project aims on installation of 50 (Fifty) numbers of 142 kW EV fast charging stations each compatible to charge EV battery (Lithium-ion integrated technology) with voltage range 200 V to 750 V, including the infrastructure to supply power followed by operation and a comprehensive on-site maintenance of the entire system for 5 (Five) years from the date of handing over in the major cities and highways of Nepal. The charging station will be compatible with combination of charging protocols, such as CCS 2.0, CHAdeMO, GB/T and AC Type 2 with CAN/PLC Communication between Electric Vehicle Service Equipment (EVSE) and Electric Vehicle (EV). 	<p>Contractor: M/s Wanbang Digital Energy Co., Ltd., China</p> <p>Status: The preconstruction Survey works of the project is being carried out</p>
8		Contract Package C2- (Upgrading existing 132 kV double circuit transmission line from Pathlaiya to Parwanipur and construction of 132 kV double circuit transmission line from Parwanipur to a new 132 kV substation at Pokhariya)	<ul style="list-style-type: none"> • 20 km 132 kV D/C Transmission Line from Pokhariya to Parwanipur using HTLS Conductor • Upgradation of existing 132 kV D/C Transmission Line from Pathlaiya to Parwanipur by HTLS Conductor • Construction of 132/33/11 kV, 2x65 MVA SS at Pokhariya 	Bid for construction of 132 kV line and 132 kV Substations at Pokhariya is planned to be invited immediately after land acquisition for Pokhariya Substation and that is expected to be acquired by October 2021.

9	Component D	Contract Package D1- (Project Supervision Consultant)	Construction supervision work for the Contract Package A1 & A2 and C2 is awarded to WAPCOS Limited in JV with SMEC International Pty. Ltd. in association with TMS Pvt. Ltd.	<p>Consultant WAPCOS Limited, India in JV with SMEC International Pty Limited, Australia in association with M/s Total Management Services, Nepal</p> <p>Status: Design/Drawings review and approval is under progress.</p>
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2 PROJECT STATUS

2.1 STATUS OF PROJECT IMPLEMENTATION

The project is expected to complete by 2026. The total time for project implementation after loan effectiveness is estimated at 6 years for detailed design, engineering, tender preparation, evaluation, and contract award. A time of 48 month is allocated to complete all the construction activities. The summary of physical progress of packages until June 2021 is described in the below Table.

Table 2.1: Physical Progress of the Sub-Projects

Component	Sub-Component	Progress by June, 2021
Power system transmission capacity increased	Package A2- Upgrading of substations in Khimti 1, Barabishe and Lapshiphedi	<p>Contract awarded to M/s Grid Solution SAS France. Survey works at New Khimti & Barbishe has been completed and geotechnical investigations is going on.</p> <p>Major Equipment and Construction drawings are being submitted by the contractor and being reviewed/approved for all three substations.</p> <p>At site of 400 kV substation, Lapsiphedi, there is agitation from local people for not having any substation, however, NEA is making all efforts to solve this issue as early as possible.</p>
	Package-C2- Upgrading existing 132 kV double circuit transmission line from Pathlaiya to Parwanipur and construction of 132 kV double circuit transmission line from Parwanipur to a new 132 kV substation at Pokhariya	<p>The survey of the line has already been accomplished by Engineering Directorate-NEA. Likewise, the ToR of IEE study has already been approved by GoN, which has been assigned to Environment and Social Studies Division (ESSD). Bid for construction of 132 kV line and 132 kV Substations at Pokhariya is planned to be invited immediately after land acquisition for Pokhariya Substation and that is expected to be acquired by October 2021.</p>
Distribution system in the Kathmandu Valley, Bharatpur, and Pokhara, and consumers' awareness on energy efficiency and safety improved	Package A1- Construction of 132 kV underground transmission line and 132/66/11kV Substation at Koteswor	<ul style="list-style-type: none"> • Survey works for Underground Transmission Lines have already been completed. IEE for Bhaktapur-Thimi S/S section is underway. ToR is submitted to MoEWRI (DOED) for approval. • Bid package for 132 kV underground (UG) Line from Bhaktapur SS to Thimi SS (Including Bay-Extension at Bhaktapur SS and Line Termination at Thimi SS) is under preparation.

	<p>Package B1- Distribution System Reinforcement and Modernization of Eastern -western Part of Kathmandu Valley (Kirtipur, Kuleswar, Baneshwor, Balaju and Jorpati DCs)</p>	<p>1. The existing and proposed route survey of HT and LT network has been completed.</p> <p>2. Most of the equipment (to be supplied) GTP, drawings and Type Test Report has been approved.</p> <p>3. The Load Flow of the 51 feeders of the 5 Distribution Centers under the scope of this project has been completed and is under the review for the approval.</p> <p>4. The HT and LT network proposed drawing for Underground Network are submitted for the necessary approval.</p> <p>5. The Factory Acceptance Test of the RMU, LT AB cable and Feeder Pillars are completed and are on the process of being delivered to Contractor's Kathmandu temporary store.</p> <p>6. Seeking necessary permit for the work on the road from the Road Department, Municipalities and Local Authority.</p>
	<p>Package B2- Lalitpur and Bhaktapur Urban Distribution Network Reinforcement (Lagankhel, Pulchowk, and Bhaktapur)</p>	<p>Work has been awarded to M/s Tata Projects Limited, India and contract has been signed on 4 June 2021.</p>
	<p>Package B3- Distribution System Reinforcement and Modernization of Bharatpur and Pokhara</p>	<p>Technical Evaluation of bids had been completed and sent to ADB for concurrence.</p>
<p>Distribution network and capacity of women to use electricity for energy-based enterprises development in Province 2 improved</p>	<p>Package B4- Rural Electrification and Distribution Network Reinforcement in Province 2 in 5 Lots:</p> <ul style="list-style-type: none"> • Lot-1 : Construction of six (6) nos. of new 33/11kV substations and 97 ckt km of 33kV line- Saptari, Siraha & Dhanusa Districts • Lot-2 : Construction of four (4) nos. of new 33/11kV substations and 226 ckt km of 33kV line- Mahottari, Sarlahi, Rautahat, Bara & Parsa Districts • Lot-3 : Construction of 250 ckt km of 11kV line, 320 ckt km of 400V line and Installation of 150 nos. of Distribution Transformers - Saptari & Siraha Districts • Lot-4 : Construction of 360 ckt km of 11kV line, 350 ckt km of 400V line and Installation of 175 nos. of Distribution Transformers - Dhanusa, Mahottari & Sarlahi Districts • Lot-5 : Construction of 340 ckt km of 11kV line, 330 ckt km of 400V line and Installation of 175 nos. of Distribution Transformers - Rautahat, Bara & Parsa Districts 	<p>Work has been awarded to M/s Tata Projects Limited, India and survey is going on.</p>
	<p>Package-C1-EV Charging Station</p>	<p>The preconstruction Survey works of the project is being carried out</p>

2.2 STATUS OF PROJECT MONITORING ACTIVITIES

NEA/PMD's social development specialist (SDS) along with social safeguard specialist from consultant side conduct field level monitoring and regularly monitor the status of land acquisition, payment of compensation, identification of entitled persons physically and processing their entitlements, relocation resettlement etc.

Methodology:

This social monitoring report collected data utilizing both quantitative and qualitative tools and techniques to draw inference related to safeguard issues and implementation. The quantitative data are collected to measure the status and change of a specific variable which are quantifiable such as affected households, acquired land, compensation distribution status, total structure loss, total crop loss etc.

The qualitative data are also collected in order to identify the issues as well as get detailed information during the implementation process through observation, open-ended interviews, meaningful consultation meetings, GRC meetings, discussions, formal meetings with project staffs, project affected families, local communities, and other stakeholders etc.

2.2.1 MONITORING PARAMETERS/INDICATORS

Monitoring method is based on some important parameters/indicators including: (i) type of impacts due to acquisition, (ii) extent of impacts, (iii) measures adopted to minimize the impacts, (iv) implementation status of mitigating measures, (v) consultation and participation, (vi) grievance redressed, (vii) compensation payment, and (viii) implementation of resettlement and rehabilitation activities.

2.2.2 SEMI-ANNUAL MONITORING RESULTS

Currently, the project has just entered in the implementation stages. Out of 9 Contract packages, only 6 Contract Packages are signed and are in design stage and 3 packages are still under tendering stage/planning stage.

2.2.2.1 LAND ACQUISITION AND COMPENSATION DISTRIBUTION

The detail of the land acquisition and compensation distribution of the project is summarized in below table.

Table-2.2: Status of the land required for substation and Transmission

SN	Name of Substation/Transmission Line	Area of Land (Ha)	Current Status of Land Ownership	Status
1.	Khimti 1 substation	7.07	Total 29 households affected including title and non-title holders (squatters). Ownership of land of 29 household have transferred.	Khimti-Dhalkebar 220 kV Transmission Line Project has acquired total 7.07 ha of land for 220 kV substation construction and the Compensation distribution of affected land and structures to the 29 have already been completed.

2.	Barhabise substation	8.1	Total 50 households of which 270 persons were affected due to the land acquisition from this substation.	This land has been acquired by the previous project Tamakoshi-Kathmandu 220kV Transmission Line from 50 households. The payment of the compensation for affected land and other assets and ownership transfer of the land has been completed for 49 HHs. The compensation for the remaining one household is in progress.
3	Lapsiphedhi substation	8.5	Total 44 households of which 206 persons affected due to land acquisition.	As per RP 2019, 41 households received compensation and ownership also transferred to Lapsiphedhi Changunarayan substation project. Total 41 households of which 206 persons affected due to land acquisition Compensation distribution and deed transfer of 41 HHs completed. The status about the compensation distribution and deeds transfers of remaining 3 HHs is yet to be received. Further, there is agitation from local people for not having any substation and NEA is making all efforts to solve this issue as early as possible.
4	Pathlaiya-Parwanipur TL	14 km	Throughout the corridor of impact, the existing ROW occupied 30 Ha of land including 80 existing transmission towers. Out of total length, tower footing occupies 1 ha; cultivated land (pre-existing restricted ROW) occupies about 19.5 ha. Ownership and compensation of acquired land has already been completed.	During upgrading of this TL, existing tower and ROW will be followed and no additional land for upgradation will be required. Only seasonal standing crops anticipated to be affected and compensation need to be paid based on impact on crops.
5	Construction of 132kV underground transmission line from Bhaktapur-Thimi to Koteshwor substation	12 km	Sub-project will be constructed following the major roads from Bhaktapur to Koteshwor	Limited temporary impacts are anticipated during the construction period
6	Construction of 6kV underground transmission line from Koteshwor to Baneshwor substation	2 km	Sub-project will be constructed following the major roads from Koteshwor to Baneshwor	Limited temporary impacts are anticipated during the construction period

The Summary of the compensation status land acquired for the development of the substation at various location of the province no 2 is presented in below table.

Table 2.3: Status on compensation distribution for acquired land

SN	Substation	Private Land Required (ha)	Affected Households	Compensated Households	Compensated Amount (In NPR)	Remaining Households	Remarks
1	Dokaila Chock substation: Parsa	0.32	1	1	11220000.00	0	Completed
2	Pokhariya Substation: Parsa	2.37	1	0	0	1	Work in progress. Compensation will be finalized after approval of IEE report, which is ongoing.
3	Manpur Substation: Rautahat	0.31	2	2	5572265.63	0	Completed
4	Siraha Bajar Substation:, Siraha	0.37	1	1	19659062.5	0	Completed
5	Bardibash Substation: Mahotari	0.25	1	0	0	1	Work in progress. District Land survey office conducted field survey and survey report is under preparation
6	Mana Sisawa Municipality, Mandra: Mahottari district	0.34	1	1	218731.25	0	Completed
7	Nagrain Substation: Dhanusha	0.6	6	6	15964375	0	Completed
8	Birendrabazar substation: Dhanusha	0.45	2	2	16068280	0	Completed
9	Chhileshwornath Municipality: Mahendra Nagar Bajar, Dhanusha	0.34	1	1	16766250	0	Completed
10	Pansera Substation: Saptari	0.34	1	1	16000000	0	Completed
Total		5.69	17	15	123123358.1	2	

Out of 17 affected households at various 10 substation, 15 household from 8 substations sites were compensated. The payment of compensation of remaining two households at Pokheryia substation and Bardibash is under progress.

Table 2.4: Summary of Impacts

SN	Impacts	Quantity
1	Total land acquired for 10 new substations construction	5.69 (Ha)
		17 Households
2	Total private crop land area under ROW of TL and substation sites (ha)	15.69 (Ha)
		31 (Households)
3	Total no. of households loses more than 10% of land holding for 10 substations	3 (Households)
4	Total estimated number of temporary affected street vendors, small business by modernization of distribution system in Kathmandu Valley, Bharatpur, Pokhara and Janakpur	250-300
5	Total number of fruit trees affected in new distribution area	200
6	Total number of non-fruit trees affected in new distribution area	900
7	Total estimated number of temporarily affected households and affected Persons during poles erection and transformers installation	20 Households
		116 affected persons
8	Total estimated number of temporary structures affected due to installation 33 kV distribution line	150

2.2.3 ADDITIONAL ASSISTANCE TO PROJECT AFFECTED VULNERABLE HOUSEHOLDS

In the project affected area, 63 households are headed by female-, 9 households are headed by Indigenous people. Area wise segregation of the data shows that there are maximum number of vulnerable households (39) in Saptari followed by Siraha with 24 vulnerable households and in Kathmandu Valley 5 vulnerable households whereas the number of vulnerable households are smaller in Sarlahi and Pokhara with 2 and 2 vulnerable households respectively. Details are mentioned in below Table.

Table 2.4: Vulnerable Households

Vulnerability Type						Vulnerable HHs
	Kathmandu Valley	Saptari	Siraha	Sarlahi	Pokhara	
Women Headed Households	1	38	22	2	0	63
Indigenous people headed household	4	1	2	0	2	9
Total as per updated RP2020	5	39	24	2	2	72

Additional assistance to the 72-project affected vulnerable households as provisioned in the RP in accordance with entitlement matrix shall be taken up by the Project after approval of the same. The households are headed by women, indigenous people. A tentative cost for vulnerable assistance has also been estimated in the updated resettlement plan (**Table 2.5**).

Table 2.5: Additional Assistance to vulnerable groups proposed in RP

SN	Vulnerable Categories (c)	Number of HHs in different vulnerable category	Number of HHs falling in single vulnerable category	Cash Assistance at the Local Agricultural Wage Rate in NPR [a]	Special assistance (NPR) [b]	Total Assistance in NPR	Total Assistance (NPR) in million NPR
1	Women Headed Households	15	1	90000	10000	100000	0.1
2	Indigenous people headed household	7	2	180,000	20,000	200,000	0.2

3 INSTITUTIONAL ARRANGEMENT FOR MONITORING

The NEA is executing agency and implementing all ADB-funded project components through its Project Management Directorate (PMD), which is responsible for planning, designing, implementing, monitoring, and supervising all NEA projects funded by ADB. PMD usually hires its own project-specific Supervision Consultants to supervise and monitor both the technical as well as environmental and social safeguard aspects of projects. To implement the environmental and social safeguard activities more effectively, NEA has established its own dedicated Social Safeguard and Environmental Management Department (SSEMD) under the PMD headed by a director and supported by dedicated environmental and social safeguards officers, civil engineer, administrative and accounting and other support staff. SSEMD is responsible for implementing and updating the environmental preliminary studies and monitoring, mitigation, CSR and supervising the environmental and social safeguard related activities as per its job descriptions.

4 COMPLIANCE WITH SOCIAL SAFEGUARD COVENANTS

Status of Compliance to social safeguard Covenants from ADB Loan Agreement:

SN	Covenants	Reference in Financing Agreement	Status of Compliance
Financial			
1.	The Borrower and NEA shall ensure that the following ratios are maintained (a) by July 2021, a debt service coverage ratio of at least 1.2 (with debt services being computed following generally accepted accounting principles); (b) by 15 July 2021, a debt -to-equity ratio of no more than 75:25, and (c) by 15 July 2021, a current ratio of at least 1. For the purpose of this paragraph (i) The term “equity” means the sum of the total unimpaired paid-up capital, retained earnings and reserves of NEA not allowed to cover specific liabilities; (ii) The term “debt” means any outstanding indebtedness of NEA, but excluding any amount due for payment within one year of that date at which this ratio is computed; and	Schedule 4 Para.9	Being complied.

	(iii) The term “current ratio” means the ratio of NEA’s current assets to its current liabilities as of its balance sheet date.		
Counterpart Funds			
2.	The borrower shall (a) allocate adequate counterpart financing and staffing for the project and (b) exempt NEA from all taxes and duties on the works and Goods contracts, except for the 1% customs duty on the imports of goods and equipment related to the Project as per the master list approved by the MEWRI. In addition to the foregoing, the Borrower shall ensure that NEA has sufficient funds to satisfy its liabilities arising from any Works, Goods and Consulting Services contract.	Schedule para.6	4, Being complied.
Social			
3.	Environment: A) The Borrower shall ensure and cause NEA to ensure that the preparation, design, construction, implementation, operation and decommissioning of the project comply with; (a) all applicable laws and regulations of the Borrower relating to environment, health and safety, (b)the Environment Safeguards and (c) all measures, and requirements set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report. B) The Borrower shall ensure, and cause NES to ensure that (a) any Works under Part 1 (ii) with in Parsa National Park are confined to the existing right of way from Pathlaiya substation; (b) any works under Part 2(i) to underground feeders within the Lake Cluster of the Pokhara Valley Ramsar Site are confined to the existing road (c) any works in the buffer zone of the Koshi Tappu Wildlife Reserve and in the vicinity of the proposed Ram Janaki Temple World Heritage Site, do not encroach into these sites; (d) all these works are undertaken in accordance with detailed construction site-specific environment management plans to be cleared by ADB before commencement of related Works and (e) no other Works are carried out under the Project within the boundaries or buffer zones of any existing or proposed World Heritage Sites, Ramsar Sites, National Parks, Wildlife reserves or Conservation Areas	Schedule 4, para. 10 Schedule 4, para. 11	Being complied.
4.	Resettlement: The Borrower shall ensure, and cause NEA to ensure that all land and all rights-of-way required for the project are made available to the Works contractor in accordance with schedule agreed under the related Work contract and all land acquisition and resettlement activities are implemented in compliance with (a) all applicable laws and regulation of the Borrower relating to land acquisition and involuntary resettlement; (b) the involuntary Resettlement Safeguards; and (c) all measures and requirements set forth in the RP, and corrective of preventative action set forth in the Safeguards Monitoring Reports.	Schedule 4, para. 12	Being complied.
5.	Without limiting the application of the Involuntary Resettlement Safeguards or the RP, the Borrower shall ensure and cause NEA	Schedule 4, para. 13	Being complied.

	to ensure that no physical or economic displacement takes in connection with the Project until: (a) compensation and other entitlement have been provided to affected people in accordance with RP; and (b) a comprehensive income and livelihood restoration program has been established in accordance with RP.		
6.	Indigenous Peoples: The Borrower shall ensure, and cause NEA to ensure, that the Project does not impact indigenous peoples within the meaning of the SPS, if due to unforeseen circumstances, the Project impacts indigenous peoples, the Borrower shall take all steps necessary or desirable to ensure that the Project complies with all applicable laws and regulations of the Borrower relating to indigenous peoples and with the SPS	Schedule 4, para. 14	Being complied.
7.	Human and Financial Resources: The Borrower shall make available, and NEA to make available. necessary budgetary and human resources to fully implement the EMP and the RP.	Schedule 4, para. 15	Being complied.
8.	Safeguards Monitoring and Reporting: The Borrower shall cause NEA to do the following: (a) Submit semiannual Safeguards Monitoring Reports to ADB (i) In respect of Implementation of and compliance with Environment Safeguards and the EMP, semiannually during construction and implementation of the Project and the EMP, and annually during operation until the issuance of ADB's Project completion report and (ii) In respect of implementation of and compliance with involuntary Resettlement Safeguards and the RP, semiannually during the implementation of the Project and the RP, And disclose relevant information from such reports to affected persons promptly upon submission. (b) if any unanticipated environment and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE the EMP, the RP, including any changes in scope or design related to works within or in the buffer zones as discussed in paragraph 11 above promptly inform ADB of the occurrence of such risks or impacts with detailed description of the event and proposed corrective action plan to be cleared by ADB before respective Works can proceed. (c) Report any actual or potential breach of compliance with the measures and requirements set forth in the EMP or the RP promptly after becoming aware of the breach and (d) Publicly disclose safeguards assessments including the IEE, the EMP, the RP and monitoring reports on the NEA websites and through other channels in a manner consistent with ADB access to information policy	Schedule 4, para. 17	Being complied.
Gender			
9.	The shall ensure and cause NEA to ensure that (a) the GAP for the Project is implemented in accordance with its terms, (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP (c)	Schedule 4, para. 21	Being complied.

	adequate resources are allocated for implementation of the GAP and (d) progress on implementation of the GAP, including progress towards achieving key gender outcome and output targets are monitored and reported to ADB quarterly in accordance with the project performance and monitoring system developed for the project.		
Labor, Health and Anti Human Trafficking			
10.	The borrower shall ensure and cause NEA to ensure that the core labor standards and the borrower's applicable law and regulations are complied with during project implementation. The borrowers shall include specific provisions in the Bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things ; (a) comply with borrowers applicable labor law and regulations and incorporate applicable work place occupational safety norms (b) do not use child labor (c) do not discriminate workers in respect of employment and occupation (d) do not use forced labor and (e) disseminate or engage appropriate service provider to disseminate, information on the risk of sexually transmitted diseases, including HIV/AIDS, to the employees of contactor engaged under project and to members of local communities surrounding the Project area particularly women.	Schedule 4, para. 19	Being complied.
11.	The Borrower shall strictly monitor compliance with the requirements set forth in the paragraph above and provide ADB with regular reports.	Schedule 4, para. 20	Being complied.
Operational Covenants			
12.	The Borrower shall ensure that final authority regarding procurement of goods, works and services under the Loan resides with NEA's Managing Director in line with Public Procurement Act of Nepal.	Schedule 4, para. 7	Being complied.
Governance and Anticorruption			
13.	The Borrower and NEA shall (a) comply with ADB Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly or through its agents, any alleged corrupt, fraudulent, collusive, or coercive practice relating to the Project and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation	Schedule 4, para. 22	Being complied.
14.	The Borrower and NEA shall ensure that the anticorruption provisions acceptable to ADB are included in all Bidding documents and contracts including provision specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultant, and other service providers as they relate to the project.	Schedule 4, para. 23	Being complied.
Others			
15.	The Borrower and NEA shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB in the event of any discrepancy between the PAM and this Loan Agreement, the Provisions of this Loan Agreement shall prevail.	Schedule 4, para. 1	Being complied.

5 GRIEVANCE REDRESS MECHANISM AND ITS IMPLEMENTATION

Grievance Redress Mechanism (GRM) having suitable grievance redress procedure to receive and facilitate resolution of affected peoples' concerns, complaints, and grievances.

Grievance is an issue, concern, problem, or claim (perceived or actual) that an individual or community group wants to address and be resolved by the project. The GRM is a locally based, project-specific extra-legal way to deal with and resolve complaints and grievances faster and thus enhance project performance standards in terms of social, resettlement and environmental issues.

The Resettlement Action Plan (RAP) has described the mechanism of the GRM and the provision for the formation of the Grievance Redress Committee GRC has made mandatory during the implementation to ensure grievances are addressed properly in a timely manner. Till the reporting time no GRC has been formed at project site as all the projects are in very early stage of the implementation.

Project being at Initial phase GRC is not yet active fully but NEA established the office at Birgunj from July 2021 and appointed a focal person.

6 CONSULTATION, PARTICIPATION AND DISCLOSURE

Due to covid-19 pandemic it is almost very difficult to organize the consultation meeting during the reporting time. However, some of the subprojects Like Pokhariya substation are in the stage of preparation of IEE so consultation during the preparation of such report is also taken into consideration. Besides this some informal telephone calls and virtual meetings has been organized to settle the outstanding issues. Since the NEA is conducting the IEE study and collecting the required data, so far only 2 public consultation meeting is being held.

7 RECOMMENDED CORRECTIVE MEASURES

The following recommendations are suggested for the monitoring adjustment:

- The outstanding cases of compensation distribution at Barabishe (1 HH case) and Lapsiphedi (3HHs) substation needs to be completed as soon as possible hence to ensure the smooth implementation of the project. Further, ongoing agitation by local people for not having any substation at Lapsiphedi may be sorted out.
- The Project Level GRC needs to be formed at every project site hence to ensure grievances are addressed properly in timely manner.
- The stakeholder engagement through consultation, participation and disclosure of the project information needs to expedite through following the COVID-19 protocols.
- Expedition of the distribution of resettlement and rehabilitation assistance (including distribution to vulnerable people), hence, to maintain cordial relationship between project and its stakeholders.