

SOCIAL MANAGEMENT & ENTITLEMENT
FRAMEWORK

(SMEF)

of the
KABELI CORRIDOR 132 kV TRANSMISSION LINE
PROJECT
(KCTLTP)

Submitted to

Kabeli Corridor 132kV Transmission Line Project, Transmission Line / substation Construction
Department, Transmission and System Operation

Nepal Electricity Authority
(NEA)

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Terms and Definitions

AT	Angle Tower
CDO	Chief District Officer
CFC	Compensation Fixation Committee is established by the implementing agency to address grievances of project affected persons (PAPs) or families (PAFs) related to land acquisition, resettlement, and loss of livelihood caused by the project, or sub-project.
CFUG	Community Forest User Group
Compensation	is payment in cash or kind equivalent to the market value of the property under acquisition.
CPR	Common Property Resource
CPR	Common Property Resource , such as a community forest, community or neighborhood water source, or other physical or cultural resource (PCR)
CSO	Civil Society Organization
Dalit	Traditional artisan castes; classified as a Vulnerable Group (defined below)
DDC	District Development Committee
DFO	District Forest Office/Officer
EIA	Environmental Impact Assessment
ESDD	Environment and Social Studies Department (of NEA)
Ethnic Groups	Indigenous Peoples (IP) or Nationalities (locally: Adivasi/Janajati) in Nepal who “have their own mother tongue and traditional customs, distinct cultural identity, distinct social structure and written or oral history of their own” (as defined under the Nepal National Foundation for Development of Indigenous Nationalities Act of 2002).
FGD	Focus Group Discussion
GON	Government of Nepal
IDA	International Development Association
IEE	Initial Environmental Examination
IP	Indigenous Peoples (also known as Indigenous Nationalities , and as Adivasi/Janajati in Nepal), defined as those ethnic groups or communities that “have their own mother tongue and traditional customs, distinct cultural identity, distinct social structure and written or oral history of their own” (Nepal National Foundation for Development of Indigenous Nationalities Act, 2002).
IPO	Indigenous Peoples Organization
KCTLP	Kabeli Corridor 132 Kv Transmission Line Project
KV	Kilovolt
LA	Land Acquisition , defined as the process whereby private land, either in full or part, is acquired for a public purpose by the government. (See the Land Acquisition Act of 1977.)
LAA	Land Acquisition Act (1977 AD)
NEA	Nepal Electricity Authority
NFDIN	National Foundation for Development of Indigenous Nationalities
NPDP	Nepal Power Development Project
O&M	Operations and Maintenance
PAF	Project Affected Family
PAF	Project-Affected Family is defined as head of household, spouse and dependent children below the age of 18. Children of the same household above the age of 18, irrespective of marital status, are considered as a separate family for R&R assistance but not for compensation and housing facilities.

PAP	Project-Affected Person is defined as a person who is adversely affected by the project or sub-project and is thus entitled either to compensation or assistance, or both, as per the project entitlement framework.
PCRs	Physical cultural resources are defined by the World Bank (WB) as archaeological, paleontological, historical, architectural, religious resources (including graveyards and burial sites), aesthetic, or other cultural significance.
PSS	Power Substation
R&R	Resettlement and Rehabilitation
RA	Rapid Appraisal
RAP	Resettlement Action Plan is defined as an action plan that includes details of the impacts, measures to minimize or mitigate adverse impacts, resources required to implement the measures, timeframe, and implementation mechanism. The RAP is prepared based on census and a baseline socio-economic survey of the affected persons at the sub-project level.
Rehabilitation Assistance	is the amount and/or training for income restoration given as a one time grant or activity to affect persons over and above the compensation to assist them in at least regaining their former standard of living or to improve upon the same.
Replacement Cost	is the cost of purchasing comparable assets elsewhere by the affected person in lieu of the acquired land and other amenities, buildings, etc. the compensation awarded for the acquired land and other amenities, buildings, etc., should be adequate to enable purchase of comparable assets elsewhere by the affected person.
ROW	Right-of-Way easement is defined as the process whereby the owner or possessor of the land permits the continued use of a part of the land towards transit of persons and/or services against a consideration, but where the ownership of the land remains unchanged.
SIA	Social Impact Assessment
SMEF	Social Management and Entitlement Framework
SPAF	Severely Project-Affected Family , defined as a person (a) who loses 25% or more of the total landholding, or whose residual land is reduced to uneconomic land holding (less than 5.0 <i>katha</i>), or (b) loses a residential and/or commercial structure and is being displaced. Each structure acquired is considered as one SPAF.
Sub-Project	is each of the power generation units and the transmission and distribution schemes under the project; i.e., transmission line (TL) and power sub-station (PSS) development.
TL	Transmission Line
VCDP	Vulnerable Communities Development Plan is defined as a plan to assist in socio-economic development of ethnic minorities (Indigenous Peoples/ Nations, or Adivasi/Janjati in Nepal), including tribal groups, and families living below poverty line in the project affected area.
VDC	Village Development Committee
Vulnerable Groups	are defined as groups that have been marginalized economically, socially and politically since ages past by more privileged castes (the erstwhile 'upper' or 'higher' castes) and by Adivasi/Janajati groups. Vulnerable Groups in the project area include women and Dalits (traditional artisan castes).
Vulnerable Project-Affected Families	is defined in Nepal as families affected by the project who are identified as belonging to the Vulnerable Groups (Dalits or women).
WB	World Bank

1.0 NAME AND ADDRESS OF THE INDIVIDUAL / INSTITUTION PREPARING THE REPORT

1.1 Proponent

The proponent of the **Kabeli Corridor 132 kV Transmission Line Project (KCTLP)** is the **Nepal Electricity Authority (NEA)**. It has obtained survey license (**Annex 1**) valid up to 2067/3/21 for the development of KCTLP from Department of Electricity Development (DoED).

The NEA is the Government of Nepal undertaking responsible for generation, transmission and distribution of electrical energy in Nepal. As 2009, NEA has a total of 9,280 staffs working under the Corporate Office and Business Group - the technical wing of NEA. The section responsible for SIA study within the NEA is Kabeli Corridor 132kV Transmission Line Project, Transmission Line / substation Construction Department, Transmission and System Operation.

The official address of the proponent for the purpose of the SIA study is as under:

**Kabeli Corridor 132kV Transmission Line Project
Transmission Line / Substation Construction Department
Transmission and System Operation
Nepal Electricity Authority
Jamal, Kathmandu, NEPAL
P.O.Box : 10020
Tel: 00977-1-4153037**

1.2 Institution Responsible for Preparing the Document

Nepal Environmental and Scientific Services [NESS] Private Limited is assigned as a consultant by NEA/ESSD to carryout the SIA study as per the World Bank Guidelines. The address of the lead consulting firm is as mentioned hereunder.

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2.0 INTRODUCTION OF THE PROJECT

2.1 Background

Development of power projects is always correlated with the power evacuation network available in the proposed power development area. As NEA is the solely responsible utility for expansion and reinforcement of networks of Integrated Nepal Power System (INPS), NEA had conducted several evacuation studies considering the candidate hydroelectric projects.

At present, INPS had 132 kV transmission network from Anarmani in the East to Mahendranagar on the Far-West region running through the Terai Physiographic Zone of the country. As most of the hydroelectric projects are located in the northern hilly region, the limiting factor for the hydropower development is pointed out to be the lack of North South extending high voltage transmission lines in the existing INPS. In the context of the ever increasing electricity demand and annually spiraling load shedding, there is a need of the development of critically important North South high voltage transmission line to facilitate the development of candidate hydropower projects vis-a-vis meet the energy demand and abolish ongoing load shedding.

As of the date there are 17 hydropower projects in the Ilam district (67MW), 4 projects in Panchthar (32MW), and 14 projects in Taplejung (312MW). All of the above projects from Ilam, Panchthar, and Taplejung have been licensed for development. It is to be emphasized that additional 33 hydropower projects of above 950 MW have applied for survey license to DoED for the hydropower development in the same region. These projects are delayed for a simple reason that the area lacks an adequate capacity high voltage transmission line to evacuate the power from the area to the consumption centers. It is for this reason, feasibility study conducted in 2003 recognizing the need of development of the proposed Kabeli Corridor as priority high voltage transmission line project in the Eastern Development Region to provide transmission line facility to the licensed hydropower projects to be developed in the immediate future.

2.2 Project Description

2.2.1 Project Description and Activities

The **Kabeli Corridor 132 kV Transmission Line Project (KCTLP)** is part of the Government of Nepal's **Kabeli Power Generation Project** under development by the **Nepal Electricity Authority (NEA)**. The project is funded through the **Nepal Power Development Project (NPDP)** under a loan from the **World Bank/IDA**.

The KCTLP involves the placement of a transmission line network along a 83.74 km long 132kV transmission line corridor crossing 25 VDCs in four districts of eastern Nepal. Fifty-one Angle Towers (AT) and three Power Sub-Stations (PSS) have been identified, and their location, placement and accessibility are described below in §2.2.2: Project Location and Accessibility. This report details the social management requirements attending the mitigation of impacts of the KCTL Project on project-affected communities, peoples and institutions.

The various socio-economic impacts of the KCTLP include loss of land, loss of residential and commercial structures, and loss of crops, trees and community forests and other resources, particularly along the TL corridor. These losses have the potential of adversely affecting the income, livelihoods and living standards of local people. In addition, people living near substations may feel the effects of those sub-project installations. In both cases, it is expected that appropriate mitigation measures will be taken. Hence, this **Social Management and Entitlement Framework (SMEF)** has been prepared as a guiding document to identify the likely impacts of interventions and appropriate mitigation measures to be taken during sub-project construction. The report has been prepared by a team of 10 researchers fielded in 2010 by the contractor, Nepal Environmental & Scientific Services, Pvt. Ltd. (NESS) of Kathmandu.

This document includes a discussion of the **Objectives of the Framework** (§2.3); **Social Management Guidelines and Principles** (§3); **Policy, Legal and Regulatory Framework** (§4), including a Review of National Policy (§4.1) and World Bank Operational Policies (§4.2) on Involuntary

Resettlement (§4.2.1) and Indigenous Peoples (§4.2.2); **Resettlement** (§4.3); **Probable Impacts** (§5), along the Transmission Line Right-of-Way (§5.2.1) and from construction of Angle Towers and Power Substations (§5.2); **Eligibility for Compensation and Resettlement Assistance** (§6); **Institutional Arrangements** (§7); **Entitlement Framework** (§8), including an Entitlement Matrix in **Table 8.1** and a Matrix of Socio-Economic Conditions, Impacts and Mitigation Measures in Project Affected VDCs in **Table 8.2**; **Public Disclosure, Consultation and Participation Plan** (§9.); **Institutional Arrangement for Resettlement Action Plan** (RAP) Implementation (§10); and **Monitoring and Evaluation** (§11.).

2.2.2 Project Location and Accessibility

The KCTLTP is located in Nepal's Eastern Development Region within Mechi and Koshi Zones and passes through four districts: Terathum of Mechi Zone, and Panchthar, Ilam and Jhapa of Koshi Zone (**Figure 2.1**). The transmission line (TL) corridor is 83.74 km in length, crossing 25 VDCs in the four districts. They are (from north to south): one VDC in Terathum District (*Chattedhunga*), 10 VDCs of Panchthar District (*Amarpur, Subhang, Bharapa, Phidim, Chokmagu, Siwa, Nawamidanda, Imbung, Pauwasartap* and *Chilingden*), 13 VDCs of Ilam District (*Phakphok, Chamaita, Ektappa, Mangalbare, Sangarumba, Siddhithumka, Soyak, Godak, Chisapani, Danabari, Mahamai, Bajho* and *Chulachuli*), and one VDC of Jhapa District (*Lakhanpur*). At Lakhanpur, near the city of Damak on the East-West Highway, the transmission lines will link into the national electricity supply grid. **Figure 2.2** depicts the districts and VDCs crossed by the Transmission Line.

From the South, the KCTLTP is first accessed at Sabitrachowk of Lakhanpur VDC of Jhapa District through the all weather Mahendra Highway about 600 km east of Kathmandu, the capital city of Nepal. The Bhadrapur airport at Jhapa, with daily flight services from Kathmandu is located about 40 km southeast of Sabitrachowk. The KCTLTP alignment is also assessed at various points of Mechi highway, extending from Charali (Jhapa), Ilam (Ilam), Phidim (Panchthar) up to Taplejung (Taplejung). The Mechi Rajmarga is an all weather road up to Phidim. From Phidim to Taplejung it is a fair weather road with jeep and bus services regularly operating for most of the time. Besides, there are a number of fair-weather roads linking various project VDCs from the Mechi Rajmarga. The major settlements near TL route accessed by fair-weather road linking Mechi Rajmarga are Ekchepea of Subhang VDC; Chokmagu, Maidane and Bhadaure of Chokmagu VDC; Patle Bhanjyang of Nawamidanda VDC; Kolbun, Hanyok and Imbung of Imbung VDC; Sartap of Pauwasartap VDC, Deurali of Phakpok VDC, Phalate Bazaar, Simsara, Chaulagaigau and Thapagau of Chamaita VDC.

Figure 2.1. Project Location Map, KCTLP

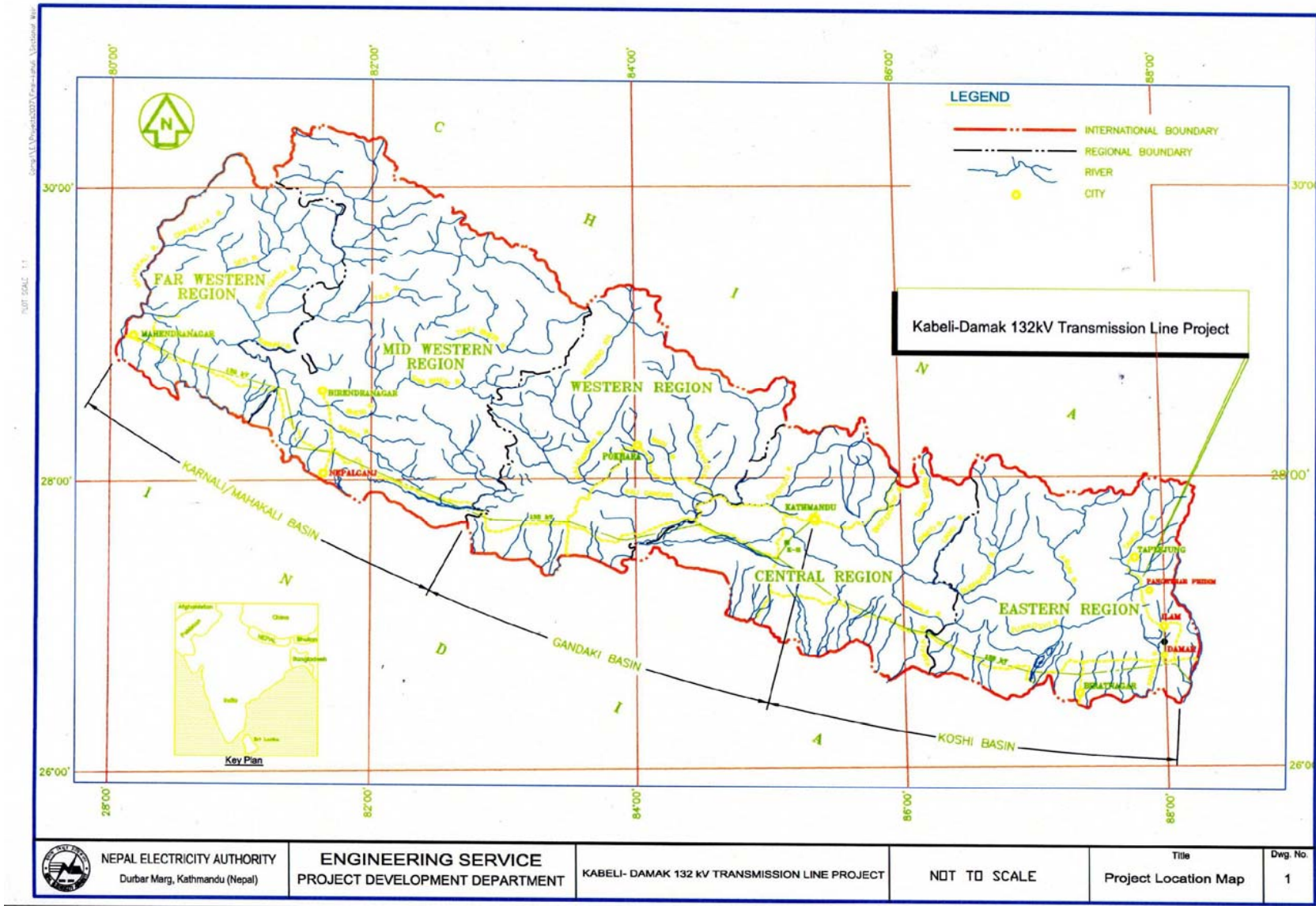
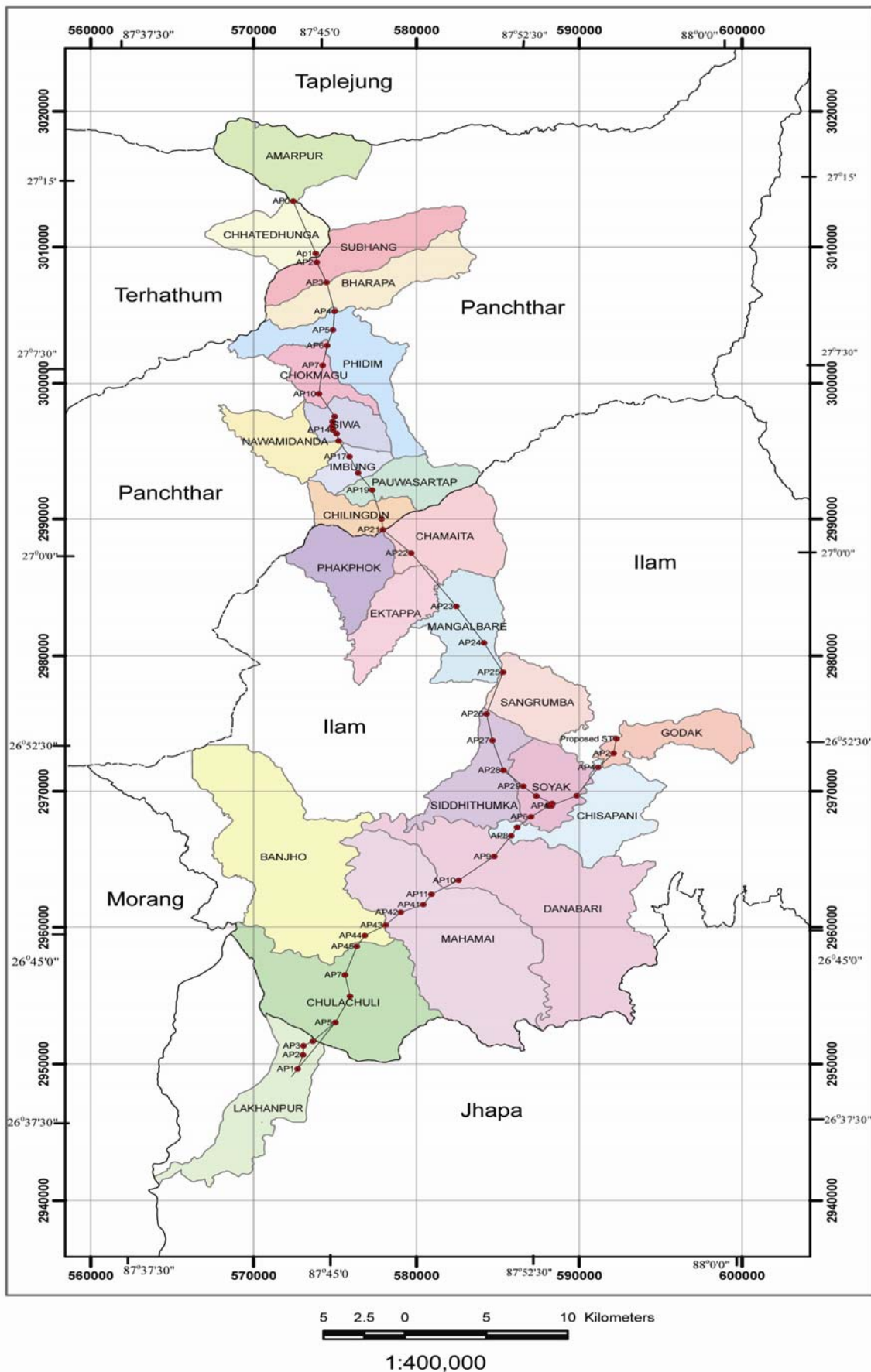


Figure 2.2. Districts and VDCs crossed by the Transmission Line



2.3 Objectives of the Framework

The objective of this Social Management and Entitlement Framework (SMEF) is to ensure realistic rehabilitation and compensation of the acquired assets of the project-affected persons/families. The acquired assets may include any or all of the following: • land (homestead, agricultural, or community land), • livestock, • standing crops/trees, • access to common property resources (CPRs) and facilities, and • additional benefits for vulnerable persons/groups. The framework below provides mitigation measures against losses for titleholders (i.e., legal land owners and people with usufruct and traditional rights) and non-titleholders (including tenants and leaseholders).

The Framework aims to:

- a) Minimize displacement, and identify the non-displacing or least-displacing alternatives.
- b) Plan the resettlement and rehabilitation of project-affected families (PAFs), including special needs of vulnerable persons/groups.
- c) Assist affected persons in maintaining/restoring their former living standards, income-earning capacity, and production levels.
- d) Facilitate harmonious relations between the implementing authority (i.e., asset acquiring body) and PAFs through mutual cooperation and regular iteration.
- e) Ensure that affected persons/groups are meaningfully consulted and provided opportunities to participate in the planning and implementation stages of the resettlement program in order to suitably accommodate their inputs and make this framework more participatory in nature and broad based in its scope.

3.0 SOCIAL MANAGEMENT GUIDELINES AND PRINCIPLES

3.1 General Principles of the Framework

This Social Management and Entitlement Framework is designed to assure that the project-affected persons, families, groups, institutions and communities are not worse-off on account of the project than they were before. Of particular importance in these Guidelines is attention to the **Vulnerable Groups** of Nepal, defined as groups that have been marginalized economically, socially and politically since ages past by more privileged castes (the erstwhile 'upper' or 'higher' castes) and by the Indigenous Peoples (Adivasi/Janajati groups). Likewise, the **Indigenous Peoples**, themselves, are also of particular concern in the mitigation of KCTL Project impacts.

This approach, paying close attention to the principles of social management as they affect Vulnerable Groups and Indigenous Peoples ensures greater acceptability of the project or sub-projects to the people and is expected to facilitate effective project implementation.

The general principles of the Framework are these:

1. Negative impacts on persons affected by the sub-project will either be avoided to the extent possible, or minimized.
2. Where the negative impacts are unavoidable, the PAPs irrespective of their legal title will be assisted in retaining their standard of living. Vulnerable Groups will be identified and assisted to improve their standard of living. (See Terms and Definitions, above.)
3. All information related to resettlement preparation and implementation will be disclosed to all concerned, and people's participation will be ensured in planning and implementing the project.
4. The PAPs will receive compensation for lost assets at replacement cost and the compensation will be available prior to the taking over of assets.
5. A broad entitlement framework of different categories of PAPs has been assessed and is given in the Entitlement Matrix (§8, below). PAFs will be surveyed/enumerated as of the cut-off date. Provisions will be kept in the budget for those who were not present at the time of enumeration. However, anyone moving into the project area after the cut-off date will not be entitled to assistance. The list of PAF in ATs could be obtained from SIA report.
6. An appropriate grievance redressal mechanism will be established as provided for the Electricity Act 1993 and the Electricity Regulations, to ensure speedy resolution of disputes.
7. All consultations with PAPs shall be documented, and consultations will continue during the implementation of resettlement and rehabilitation (R&R) works.
8. Any disruption of socially and culturally sensitive areas will be avoided, and if impacted they shall be conserved following the laws of the land.
9. Consultations with potential affected persons will be held among the local population regarding finalization of the proposed route of the transmission lines and power sub-stations (TL and PSS) as part of the public hearing process during environmental impact study.
10. Delivery of R&R entitlements and compensation for lost assets will be based on the Entitlement Framework (§8).
11. A Resettlement Action Plan (RAP), if required, will be prepared in close consultation with the affected families to ensure their acceptability as well as timely delivery of entitlements and assistance.
12. The compensation for land acquired for the project will be as per the Land Acquisition Act 1977, and compensation for the right-of-way (ROW) easement will be as per the Electricity Act of 1993 and its Regulations. For structures that are partially affected, compensation for the entire structure shall be paid.

13. Physical works will not commence on any portion of land before compensation and assistance to the affected population have been provided in accordance with the policy framework.
14. As far as possible, project plans to conduct its construction activity will commence after the harvests to avoid damage to crops. In case damage to standing crops is unavoidable, the project will provide compensation as per the LA Act.

3.2 Identifying Vulnerable Groups and Indigenous Peoples

Vulnerable Groups in the project area include women and Dalits (traditional artisan castes). Vulnerable Project-Affected Families are defined in Nepal as families affected by the project who are identified as belonging to the Vulnerable Groups (Dalits or women). Traditional artisanal employment includes tailoring, leather working, metal working, and several other more menial occupations.

Nepal's **Indigenous Peoples** (also known as **Indigenous Nationalities**, or locally as **Adivasi/Janajati**), are defined by the following key characteristics:

- Distinct collective identity,
- Own language, religion, traditions, and culture,
- Own traditional and relatively egalitarian social structure (as contrasted with the more rigid and hierarchical caste system),
- Traditional homeland and geographical area, and
- A written and/or oral history that traces their line of descent back to the occupants of territories before they were integrated into Nepalese society within the current frontiers.

Nepal's complex social structure makes it difficult, however, to clearly identify all Indigenous Peoples (IPs), given the multi-ethnic, multi-lingual, multi-religious and multi-cultural nature of the social system. A hundred distinct social groups have been identified in the 2001 National Census, with over 92 languages and a mix of religious systems (Hindu, Buddhist, Muslim, Christian, and various animistic and shamanistic belief system, often overlapping and intermixed). The 2001 Census identifies 43 ethnic nationalities, comprising 8.4 million people.

Based on the identifying characteristics, above, the National Foundation of Indigenous Nationalities (NFDIN), a government-founded institution, recognizes 59 different Ethnic Groups as Indigenous Nationalities. They comprise slightly over 37% of the national population of nearly 28 million. The majority of these IPs are considered to be socially, economically, politically and educationally marginalized. The Human Development Index shows considerable disparity among various nationalities/ethnicities and castes and community, which in some instances are widening (Central Bureau of Statistics National Living Standard Survey data comparing 1995/96 data with 2003/04 data).

IPs in Nepal are heterogeneous and in the context of this project and framework it is important to distinguish the vulnerable and poor IPs from the others. The NFDIN has classified IPs into five categories (**Table 3.1**) based on socio-economic variables that include literacy, housing, occupation, language, area of residence, and population size.

For this project, the Nepal national policies regarding Indigenous Peoples follows the World Bank Principles and Guidelines, below (§4.3.2).

Table 3.1 Private Land Affected by KCTLP

Region	Endangered	Highly Marginalized	Marginalized	Disadvantaged	Advantaged
Mountain	--	Shiyar, Shingsawa (Lhomi), Thudam	Bhote, Dolpo, Larke, Lhopa, Mugali, Topkegola, Walung	BaraGaunle, Byansi (Sauka), Chhairrotan, Marphali Thakali, Sherpa, Tangbe, Tingaule Thakali	Thakali
Hill	Bankariya, Hayu, Kusbadiya, Kusunda, Lepcha, Surel	Baramu, Thami (Thangmi), Chepang	Bhujel, Dura, Pahari, Phree, Sunuwar, Tamang	Chhantyal, Gurung (Tamu), Jirel, Limbu (Yakthung), Magar, Rai, Yakkha, Hyomo	Newar
Inner Terai	Raji, Raute	Bote, Danuwar, Majhi	Darai, Kumal	--	--
Terai	Kisan, Meche (Bodo)	Dhanuk (Rajbansi), Jhangad, Santhal (Satar)	Dhimal, Gangai, Rajbanshi, Tajpuriya, Tharu	--	--
Totals:	10	12	20	15	2

4.0 POLICY, LEGAL AND REGULATORY FRAMEWORK

4.1 Review of National Policy

4.1.1 Government of Nepal's Land Acquisition Act (1997)

The Land Acquisition Act, 2034 (LAA 1977) is the core legal document to guide tasks related to land acquisition and resettlement activities in Nepal. There is provision in Clause 3 of the Act to acquire land for any public purpose, subject to the award of compensation. Besides, any institutions seeking land acquisition may also request GON to acquire the land under the regularity provisions subject to be compensated by such institutions' resources. As per the prevailing government rules, the compensation to be provided for land acquisition should generally be in cash as per current market value. However, there is also a provision under Clause 14 of the LAA to compensate land for land provided government land is available in the area. As per the regulatory provision, while acquiring land, GON forms a Compensation Fixation Committee (CFC) under the chairmanship of Chief District Officer (CDO) of the district. The other members of the committee include the Chief of Land Revenue, an Officer assigned by CDO, representative from District Development Committee (DDC)¹, and Concerned Project Director. While determining the compensation, the Committee has to consider relevant acts and periodic guidelines of the Government in compliance with World Bank policy and guidelines.

The Act also envisages the possibility of two separate rates of compensation, distinguishing between families who lose all their land and those who lose only some part of their landholdings. In determining the compensation, the Committee must consider the loss incurred by persons due to acquisition of land, shifting of residence or place of business to another place. If the land has to be acquired for institutions other than the VDCs and institutions fully owned by the government, the Committee has to consider the following while fixing the compensation amount:

- Price of land prevailing at the time of notification of land acquisition;

¹ District level development unit to be chaired by district level elected leaders.

- Price of standing crops and structures, and
- Damage incurred by being compelled to shift the APs residence or place of business in consequence of the acquisition of land.

In other words, CFC under the LA Act is formed for actual verification of land to be acquired, reviewing and fixing compensation rate, identification of proper owner(s), distribution of compensation, providing necessary administrative support addressing associated issues. However, formally the implementation process of CFC begins once GON grants formal approval for the land acquisition. After the approval, from government side, the Officer concerned of Executing Agency (EA) is entrusted with the task to initiate the process through public notification. The public notification also includes the activities of disseminating details of the land area, structure affected in municipality/VDC coming under the Project.

4.1.2 Current Resettlement Practice in Nepal

As specified in the LA Act Clause 13, a four-member committee headed by CDO of the concerned district is constituted for fixing up the compensation for lost assets. Compensation is fixed through Community Consensus Valuation (CCV). During the implementation process of the RAP, after the submission of the report to the Chief District Officer (CDO) with the details of specific location for the land and other assets to be acquired by the concerned Officer-in-Charge of the Project, the acquisition process is undertaken. The other members include Project Chief or his/her representative, and a representative from the DDC. In this process, the Committee issues circulars or undertakes extensive consultation with representatives of the project affected population, political party's local representatives and relevant district level chiefs of line agencies to finalize and fix the rate of compensation. This integrated approach is in line with the World Bank policy guidelines. After finalization of the agreements, formal notification is placed in public places, local and national newspapers identifying the amount of land, owner and ownership related matters of the affected assets. The compensation amount will be paid to the AP before the commencement of construction work.

Some of the past resettlement practice adopted in transmission line projects of Nepal are highlighted in **Table 4.1**.

Table 4.1 Resettlement Practices Adopted on Prior Transmission Line Projects in Nepal

Project	Policy
Transmission Line Projects prior to 1993	<ul style="list-style-type: none"> ▪ Compensation in cash to the legal APs (owners and tenants) only for house structures under ROW and land occupied by Tower structures as per Land Acquisition Act 1977. ▪ No compensation to other land restricted for land use under ROW. ▪ No resettlement provisions. ▪ No provisions for rehabilitation and livelihood assistance to APs. ▪ No provisions for compensation to the trees and standing crops. ▪ No provision of compensation and rehabilitation/livelihood assistance to APs other than legal titleholders.
Kathmandu Valley High Voltage Reinforcement Project (1993-1997), financed under World Bank's loan assistance.	<ul style="list-style-type: none"> ▪ Inclusion of representatives of the APs and village development committees in the Compensation Fixation Committee. ▪ 100% cash compensation to legal APs for the land occupied by the permanent structures. The land is registered to NEA. ▪ 10% cash compensation to the legal APs for the land use restriction on ROW. The land ownership remains to APs. ▪ 100% cash compensation to the legal APs for the house structure under ROW and 90% cash compensation to the land occupied by house structure. The land is restricted for structure and tree plantation. The land ownership remains to APs. ▪ 100% cash compensation to planted trees, fruit trees and crops. ▪ Cash compensation for land is based on the market price of the land.

	<ul style="list-style-type: none"> ▪ Cash compensation for house structure is based on the district evaluation norms. ▪ Depreciation was accounted. ▪ Cash compensation for trees and crops based on the District Forest Officer's evaluation. ▪ The structure owner was entitled for salvaged materials. ▪ Additional 10% of the structure cost was compensated in cash to APs for the transportation of salvaged material.
Khimti-Bhaktapur-Balaju 132 kV Transmission Line Project (1995-1999), financed under the Finnish grant and Nordic Development Fund loan	All provisions similar to Kathmandu Valley Reinforcement Project (1993-1997) with following instructions: <ul style="list-style-type: none"> ▪ 100% cash compensation for utility facilities such as water supply, power supply, telephone, toilets, bio-gas plant and cowsheds to legal APs of house structure on ROW.
Lalpur-Gaddahcauki 132 kV Transmission Line Project (1997-1999), under NEA & GON finance.	All provisions similar to Khimti-Bhaktapur-Balaju 132 kV Transmission Line Project (1995-1999) with following additions. <ul style="list-style-type: none"> ▪ Rental costs in cash to legal APs of the house structures on ROW for a period of 6 months.
Chilime-Trishuli-Devighat 66 kV Transmission Line Project (1997-1999) under NEA & GON finance.	All provisions similar to Khimti-Bhaktapur-Balaju 1323 kV Transmission Line Project (1995-1999).
Lower Marsyangdi-Middle Marsyangdi 132 kV T/L Project (Proposed for construction under NEA & KfW financing.	All provisions similar to Khimti-Bhaktapur-Balaju 1323 kV Transmission Line Project (1995-1999).

4.1.3 Forest Act 1993

The Forest Act 1993, §68(1) empowers the GON to permit the use of any part of government managed forests, community forests, leasehold forests, etc., if there is no alternative except to use that area for the implementation of a plan or project of national priority without significantly affecting the environment. According to the Forest Act, Community Forest User Groups (CFUGs) will be responsible for the preparation of a management plan that must include forest development conservation, use and management.

4.1.4 Electricity Regulations 1992

The Electricity Regulations 1992, Articles 12 and 13 state that the EIA report should address environmental issues through measures required to mitigate the significant adverse impacts including socio-economic impacts, use of local labor, resources and equipment. These articles also specify that that impacts on local land holders due to project implementation as well as estimates of displaced population and resettlement and rehabilitation measures must be elaborated and clearly explained. This regulation has also made provision for the formation of the CFC for compensation of the transmission line right-of-way.

4.2 World Bank Operational Policies

4.2.1 Involuntary Resettlement (OP 4.1.2)

This policy is the principal social safeguard policies of the World Bank applying for resettlement. The key objectives of the policy on involuntary resettlements includes to:

- avoid or minimize involuntary resettlement and related disruption where feasible;
- explore all viable alternatives for project design;
- provide transparent compensation procedures for the involuntary acquisition of land;

- assist the affected and displaced persons in their efforts to improve their standards of living, income earning capacity, and production level, or at least in restoring them, implemented through a Resettlement Action Plan;
- encourage community participation in planning and implementing resettlement;
- Provide assistance to affected people regardless of the legality of land tenure.

The policy covers not only physical relocation but any loss of land or other assets resulting in relocation or loss of shelter; loss of assets or access to assets; loss of income source or means of livelihood whether or not the affected people must move to another location. When the policy is triggered, a Resettlement Action Plan must be prepared. An abbreviated plan may be prepared when less than 200 people are affected by the project. In situations, where all the precise impacts cannot be assessed during project preparation, provision is made for preparing a Resettlement Policy Framework (RDF). The RAP/RDF must ensure that all the Bank's policy provisions detailed in OP 4.12 are addressed particularly the payment of compensation for affected assets at their replacement cost.

More specific and relevant to the SRN Program, the following provisions are given in this policy:

- (1) The implementation of resettlement activities is linked to the implementation of the investment component to ensure that displacement does not occur before necessary measures for resettlement are in place. The measures (i.e., the RAP) include provision of compensation and of other assistance required for relocation, prior to displacement, and preparation and provision of resettlement sites with adequate facilities, where required. Land and assets acquisition should take place only after compensation has been paid and, where applicable, resettlement sites and moving allowances have been provided to the DPs. The measures are implemented in accordance with the plan of action as part of the project.
- (2) Preference should be given to organize land-based resettlement program for the DPs whose livelihoods are land-based. In such case, the land should have combination of higher comparative advantage or at least equivalent to the land taken. If the land is not the preferred options of the DPs, or equivalent land could not be available, non-land-based options built around opportunities.
- (3) For employment/livelihood should be provided in addition to cash compensation for land and other assets lost. Cash compensation to the DPs should be sufficient to replace the lost land and other assets at full replacement cost in local markets.
- (4) DPs and their communities, and any host communities receiving them, are provided timely and relevant information, consulted on resettlement options, and offered opportunities to participate in planning, implementing, and monitoring resettlement. Appropriate and accessible grievance mechanisms should be established for these groups.
- (5) Infrastructure and public services are provided as necessary to improve, restore or maintain accessibility and levels of service for the DPs and host communities. Alternative or similar resources are provided to compensate for the loss of access to community resources.
- (6) DPs who have formal legal rights to land and those who don't have at the time of census survey but have a claim to such land or assets or become recognized through a process identified in the resettlement plan are provided compensation and other assistance for the land they lose. In the case of DPs who have no recognizable legal right or claim to the land they are occupying are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance as necessary, if they occupy the project area prior to a cut off date. Any encroachers settling after the cut-off date are not entitled to compensation or other form of resettlement assistance.

Involuntary resettlement may cause severe long-term hardship, impoverishment and environmental damage unless appropriate measures are carefully planned and carried out. Both the GON legal frameworks and World Bank guidelines related to resettlement aim at achieving the following overall goals:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.
- Where it is not feasible to avoid resettlement, the resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- Displaced persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them in real terms to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

This OP describes the WB's policies and procedures on involuntary resettlement as well as conditions that borrowers are expected to meet during operations involving resettlement of affected groups. It requires an entitlement framework aimed at restoration, replacement and participation of affected groups. A detailed social assessment and development of an action plan listing measures for betterment and/or restoration of lost assets and/or income is required to be submitted to the bank before the start of project work.

World Bank policy states for provision of assistance to affected people regardless of the legality of land tenure, which is not included in Land Acquisition Act of Nepal, if such situation arises in the project it has to be brought to the attention of Compensation Fixation Committee (CFC) of the district for necessary action.

4.3.2 World Bank OP 4.10: Indigenous Peoples

The WB's policy on Indigenous Peoples contributes to the Bank's mission of poverty reduction and sustainable development by ensuring that the development process fully respects the dignity, human rights, economies and cultures of Indigenous Peoples. For all projects that are proposed for WB financing and that affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior and informed consultation. The Bank provides project financing only where free, prior and informed consultation results in broad community support to the project by the affected Indigenous Peoples. Bank-financed projects include measures (a) to avoid potentially adverse effects on the Indigenous Peoples' community, or (b) when avoidance is not feasible to minimize, mitigate or compensate for such effects. Bank-financed projects are also designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender inclusive.

This OP described the WB's policies and procedures for projects that affect Indigenous Peoples. The objective is to ensure that development benefits are socially and culturally compatible and that the Indigenous Peoples are consulted. Thus, an Indigenous Peoples Development Plan is to be prepared as a prerequisite. Projects will incorporate the IP component wherever necessary in the sub-projects. This Social Management and Entitlement Framework incorporates the essential elements of an Indigenous People Plan.

In the World Bank policy, the term 'Indigenous Peoples' is used in a generic sense to refer to distinct, vulnerable, social and cultural groups possessing the following characteristics in varying degrees:

- self-identification as members of a distinct indigenous cultural group and recognition of this identity by others;
- collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories⁷
- customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and
- an indigenous language, often different from the official language of the country or region.

A group that has lost "collective attachment to geographically distinct habitats or ancestral territories in the project area" (Paragraph 4(b)) because of forced severance remains eligible for coverage under this policy.

Where the Bank concludes that Indigenous Peoples are present in, or have collective attachment to, the project area, the borrower undertakes a social assessment to evaluate the project's potential positive and adverse effects on the Indigenous Peoples, and to examine project alternatives where adverse effects may be significant. The breadth, depth, and type of analysis in the social assessment are proportional to the nature and scale of the proposed project's potential effects on the Indigenous Peoples, whether such effects are positive adverse... To carry out the social assessment, the borrower engages social scientists whose qualifications, experience, and terms of reference are acceptable to the Bank.

Where the Project affects Indigenous Peoples, the borrower engages in free, prior, and informed consultation with them. To ensure such consultation, the borrower:

- establishes an appropriate gender and intergenerationally inclusive framework that provides opportunities for consultation at each stage of project preparation and implementation among the borrower, the affected Indigenous Peoples' communities, the Indigenous Peoples Organizations (IPOs) if any, and other local civil society organizations (CSOs) identified by the affected Indigenous Peoples' communities;
- uses consultation methods appropriate to the social and cultural values of the affected Indigenous Peoples' communities and their local conditions and, in designing these methods, gives special attention to the concerns of Indigenous women, youth, and children and their access to development opportunities and benefits; and
- provides the affected Indigenous Peoples' communities with all relevant information about the project (including an assessment of potential adverse effects of the project on the affected Indigenous Peoples' communities) in a culturally appropriate manner at each stage of project preparation and implementation.

On the basis of the above interaction and assessment, the borrower through his sub-contracted agent has prepared this Social Management and Entitlement Framework, incorporating the essential components of an Indigenous Peoples Plan.

4.4 Resettlement Principles to be followed by KCTLP

The resettlement principles adopted in this Kabeli TL project will provide compensation and resettlement assistance to all affected persons.

The core resettlement principles for this sub-project are:

- (i) Acquisition of land will be minimized and will avoid the resettlement of people, as much as possible;
- (ii) local stakeholders will be systematically informed and properly consulted to identify the possible alternative subproject engineering and operational solutions to avoid or minimize the adverse impacts of land acquisition; and disclosure to the public regarding the preparation of RPs, eligibility of APs, compensation, entitlements and special assistance measures to vulnerable groups will be undertaken;
- (iii) all affected persons (APs) will be properly identified and recorded in a census instrument in which cut-off date for their eligibility is the last day of the survey in the sub-project area, and will be notified in advance when land for the sub-project will be acquired; lack of formal legal rights to the assets lost will not prevent APs from receiving compensation, entitlement and rehabilitation measures;
- (iv) where resettlement cannot be avoided, relocation site(s) whether permanent or temporary, free from environmental risks and with access to drinking water and

sanitation, social services and all other services accessible in the previous location, will be provided prior to relocation, in consultation with APs and their hosts;

- (v) relocated APs will be provided with assistance to maintain, or improve their pre-sub-project living standards, income earning capacity and production levels;
- (vi) special assistance measures will be incorporated in resettlement implementation process to protect the socially and economically vulnerable groups that will be affected;
- (vii) effective mechanism for arbitration of complaints and grievances will be provided during resettlement implementation;
- (viii) institutional arrangements and human resources will be in place for consultation, liaison, land acquisition, resettlement and monitoring to ensure the effective resettlement implementation prior to commencement of the sub-project; and
- (ix) payment of compensation prior to displacement must be provided, and other resettlement assistance initiated prior to award of civil works contract.

5.0 PROBABLE IMPACTS

A variety of impacts, socio-economic and cultural, are likely to be associated with sub-project development along the 83.74 km long transmission line (TL) corridor and at the three power sub-station (PSS) sites. Most are associated with land acquisition carried out for (a) angle tower (AT) footings and PSS sites, and (b) the TL right-of-way easement. The following are the most likely adverse impacts for each.

Direct Impacts of Loss of Property and Land (such as Population Displacement)

The KCTLTP will affect the private land permanently and temporarily. The permanent land affects will be due to the permanent land acquisition for substation and tower foundation. The private land will be also affected permanently due to restriction on the land use along the 18 m wide corridor of KCTLTP right of the way. Apart from this, the camps and storage area occupied during construction will also affect the land temporarily during construction. **Table 5.1** presents the private land area to be affected by the KCTLTP permanently and Temporarily.

Table 5.1 Private Land Affected by KCTLTP

Locations	Permanent (ha)	Temporary (ha)
Substations	4.324	
Tower Foundations	2.821	
ROW	89.27	
Camps and Storage	0	6.98
Total	96.415	6.98

Source: Field Survey 2010

Note: The private land areas include both cultivated land and private forests.

5.1 Transmission Line Right-of-Way

- Temporary disturbance during construction and erection of TL towers and stringing.
- Temporary loss of access to common property resources (CPRs) and other physical cultural resources (PCRs).
- Temporary change in land use intensity.
- Loss of crops where private agricultural land is affected
- Restriction on the height of trees allowed to be grown under TLs.
- Restriction mandating that no construction be carried out under TLs.
- Drop in land prices.
- Change in the aesthetic appeal of an affected area or landscape.

Permanent land take and restriction on certain land uses along the ROW could not be avoided due to the nature of the project. In the context of Nepal, land to land replacement is also not possible because of the limited availability of the usable lands. The only option to mitigate the impacts of the permanent land is to compensate the affected people in monetary terms. The affected private land owners will be compensated as per the Land Acquisition Act. However, following policy measures will be employed for the compensation to the permanent land and property acquisition of the affected households. The landowners of ROW should be identified once the alignment of KCTLP and their compensation should be paid prior the

- Identification of the impacted landowners of the transmission line ROW and census socio-economic survey of the impacted households of ROW and substation sites (The land for substations of KCTLP have already been acquired by NEA)
- Compensation to the permanently acquired lands will be made at the market price value at the time of land acquisition
- Compensation to the property (built structures and other facilities) will be made at the market value and no depreciation will be made to the market value at the time of demolition
- The households will be allowed for the salvation of the demolished materials and the project will provide transportation costs to transport the salvaged materials.
- The residential households whose house is demolished will be provided discomfort allowances for 6 months rentals, and livelihood subsistence apart from the compensation of the demolished property.
- Rehabilitation programs to the seriously affected households such that the household should at least maintain their livelihood as of the present.

The ROW land not required for structural placement will be restricted for land use such that built structures and plantation of big trees will be not allowed in the ROW. In most of the developed countries, the entire land of ROW is permanently acquired. In the context of Nepal, as there is limited availability of arable land, such a practice will have long term serious food security implications. It is therefore, the restriction in land use is the most appropriate solution by partly compensating the affected households for land use restriction, while land title is still given to the affected households. This is envisaged to maximise the agricultural production vis a vis avoid land encroachment by the outsiders and minimise the burden of ROW land management by the proponent. In practice, flat 10 percent of the land market price value is compensated by the proponent in other similar projects for land use restriction. Such a flat compensation may not be pragmatic in different settings such as open rural land, settlement area land and land of urban potential. It is therefore, 15 percent of land value compensation in rural open land area, 25% in settlement areas and 35% in the urban area will be employed by the proponent to compensate for the land value depreciation impacts along ROW to the land owners.

The areas required temporarily during construction period for camps and storage facilities will be provisioned for land rentals for the period of occupancy. Since such lands will be taken by the contractors as to their ease, the contract document will ensure that the rentals to such lands will be paid not less than the annual agricultural production of the lands. Besides, the contractor will have to rehabilitate such lands like previous conditions during the time of handover to the landowners.

5.2 Angle Towers and Power Substations

- Loss of land.
- Loss of house/structures/trees/crops.
- Loss of CPRs due to acquisition of revenue land.
- Loss of fodder and fuelwood due to loss of community forest land.

The land acquisition and restriction on land use will impart direct impacts to the landowners of the private land at the proposed ATs. The envisaged impacts are on the socioeconomic status of the affected population/ households as landholding is considered to be a matter of social status in

the rural areas of Nepal. The land area occupied permanently for substation and tower foundation will be lost forever. Of the total 51 angle towers, only 34 numbers of angle towers need to acquire private land. The details of APs for ATs could be obtained from RAP for ATs.

6.0 ELIGIBILITY FOR COMPENSATION AND RESETTLEMENT ASSISTANCE

The following categories of project-affected persons are eligible for compensation and assistance:

1. An individual will be eligible to receive compensation and R&R assistance if the person has formal legal rights to the land including customary, usufruct and traditional rights.
2. An individual who does not have formal legal title for the affected land at the time of census but claims such a legal title, such as a right derived from adverse possession, or a right derived from continued possession of public land without official action for eviction, provided that such claims become recognized under the laws of Nepal through an appropriate process.
3. Displaced persons in the above two clauses are also entitled to compensation for loss of other assets such as structures and crops. The absence to legal title to land will not bar them from getting compensation for assets and other resettlement assistance.
4. Those who are non-titleholders (e.g., encroachers or squatters) and do not fall under the first two categories are not entitled to compensation for loss of land and/or structure. However, if such persons are occupying such land and have initiated the official process for land title, such individuals will be considered for compensation.

Note that all displaced persons occupying land from the start date of the census survey are entitled to compensation for loss of assets other than the land; i.e., structures and crops in particular.

7.0 INSTITUTIONAL ARRANGEMENTS

Time establishment and involvement of appropriate institutions will significantly facilitate achievements of the R&R program, objectives. The NEA is the primary agency to plan, implement and monitor all resettlement and rehabilitation related activities. The Kabeli Corridor 132kV Transmission Line Project transmission Line / Substation Construction Department Transmission and System Operation.

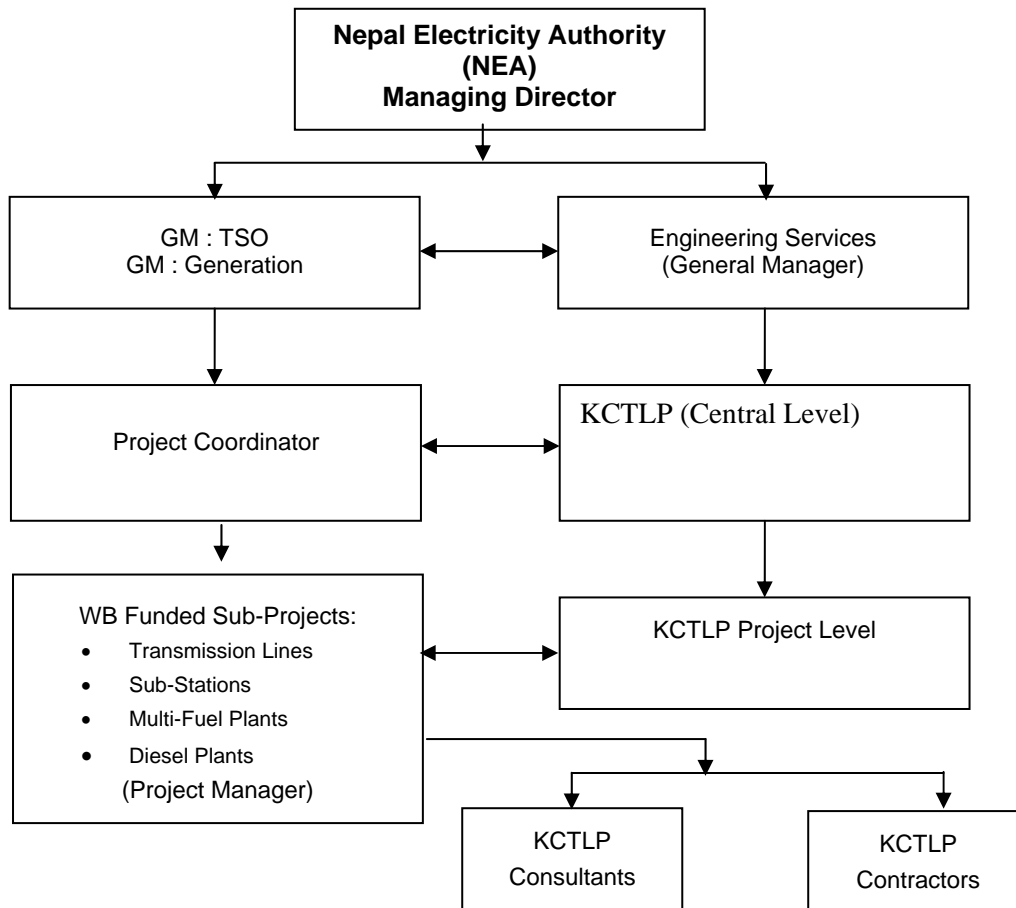


Figure 7.1. Organizational Chart for Planning and Implementation of Social Management and Entitlement Framework (SMEF) in KCTLP

Land acquisition and compensation is the responsibility of the Compensation Fixation Committee, to be established in the project at the district level. The KCTLP/NEA and each sub-project will have horizontal linkage and will enter into agreement to undertake the activities as required by the framework. These include activities related to social screening, social assessment, socio-economic baseline survey, preparation of land acquisition plan, Resettlement Action Plan (RAP). NEA has simultaneously conducted SIA, and RAP for KCTLP. To implement and periodically monitor the planned activities, the NEA will set up offices at the project level with the required number of experienced staff.

At the local level, other local government organizations (e.g., DDCs, VDCs, DFO, and CFUGs, and non-government organizations/NGOs) will also be involved in the implementation process. The specific role of each of these agencies and organizations will be detailed in the RAP prepared for the sub-project.

Grievance Redress Mechanism: Especially regarding complaints and issues related with compensation payment and resettlement programs overseen by the CFC, the project will establish effective mechanisms for resolving them during the implementation of the project. APs with grievances will have access to both locally-formed grievance redress committees and formal courts of appeals. The local committees will be comprised of sub-project officials/staff and representatives of local bodies and affected people. As a first step, complaint cases will be filed with the local committees and will be resolved through negotiation at the sub-project level. In case issues are not resolved even at the CDO level, PAPs will have provision to approach the court.

8.0 ENTITLEMENT FRAMEWORK

The Entitlement Framework is designed to enable APs (PAF) to replace the assets they have lost due to the project in the shortest possible time. The following Framework (**Table 8.1**) presents the entitlements and conditions of entitlement to be provided to those affected by the project. And, following that, (**Table 8.2**) find a Matrix of Socio-Economic Conditions, Impacts and Mitigation Measures in Project Affected VDCs.

Table 8.1 Entitlement Matrix

S.N.	Type of Loss	Application	Entitled Person ²	Compensation Policy	Implementation Issues	Responsible Agency
1a	Loss of land	Homestead land, agricultural land, or vacant plot	Owner(s) with legal title	<ul style="list-style-type: none"> • Land-for-land arrangements of equal productive capacity satisfactory to AP • AP option for cash compensation equivalent to replacement cost • Provision of stamp duty, land registration fee, capital gains tax, and value added tax incurred for replacement land • Option to be compensated if remaining land is no longer viable • Provision of access to equivalent common property resources previously accessed • 	<ul style="list-style-type: none"> • If land-for-land is offered, title will be to both husband and wife. • Vulnerable households to be identified during detailed measurement surveys conducted as part of the RAP 	<ul style="list-style-type: none"> • Verification of APs by NEA • Government to provide replacement land • Replacement cost at Community Consensus Valuation by Committee headed by CDO • EA to provide budget and release cash compensation payments
1b	Loss of land	Agricultural land	Sharecropper(s)	<ul style="list-style-type: none"> • 60 days' advance notice to harvest standing seasonal crops, if harvest is not possible, compensation for share of crops (item 4) 	<ul style="list-style-type: none"> • Work schedule to allow harvesting prior to acquisition and avoid harvest season • Vulnerable households to be identified during detailed measurement surveys conducted as part of the RAP 	<ul style="list-style-type: none"> • Verification of APs by NEA
1c	Loss of land	Homestead land, Agricultural land, or vacant plot	AP(s) without legal titles (squatter(s) and encroacher(s))	<ul style="list-style-type: none"> • 60 days' advance notice to shift from occupied land 	<ul style="list-style-type: none"> • Vulnerable households to be identified during detailed measurement surveys conducted as part of the RAP 	<ul style="list-style-type: none"> • Verification of APs by NEA
2a	Loss of structure	Residential/ commercial	Owner(s) with legal title	<ul style="list-style-type: none"> • Cash compensation equivalent to replacement value of structure (or part 	<ul style="list-style-type: none"> • Vulnerable households to be identified during 	<ul style="list-style-type: none"> • Verification of APs by NEA • Replacement cost at Community

² Identified during cut-off date.

		structure and other assets (e.g., fences, gates, posts) structure		of structure) <ul style="list-style-type: none"> • Option to be compensated for entire structure if remaining structure is no longer viable • Rights to salvage materials from structure • Transfer and subsistence allowance of up to 3 months 	detailed measurement surveys conducted as part of the RAP	Consensus Valuation by Committee headed by CDO <ul style="list-style-type: none"> • NEA to determine viability of remaining structure • NEA to review allowances and verify all charges
3	Loss of livelihood	Livelihood/ source of income	Business owner (s), tenant (s), leaseholder(s), employee(s), agricultural worker(s), hawker(s)/ vendors(s)	<ul style="list-style-type: none"> • Assistance for lost income based on three months lost income or minimum wage rates. 	<ul style="list-style-type: none"> • Vulnerable households to be identified during detailed measurement surveys conducted as part of the RAP 	<ul style="list-style-type: none"> • Verification of APs by NEA
4	Loss of crops and trees	Standing crops and trees	Owner(s) with legal title, tenant(s), leaseholder(s), sharecropper (s), encroacher(s), squatter(s)	<ul style="list-style-type: none"> • 60 days' advance notice to harvest standing seasonal crops, if harvest is not possible, cash compensation for crops (or share of crops) equivalent to prevailing market price • Cash compensation for perennial crops and fruit bearing trees based on annual net product market value multiplied by remaining productive years • Cash compensation equivalent to prevailing market price of timber for non-fruit trees 	<ul style="list-style-type: none"> • Work schedule to allow harvesting prior to acquisition and avoid harvest season • Market value to be determined 	<ul style="list-style-type: none"> • Verification of APs by NEA • Replacement cost at Community Consensus Valuation by Committee headed by CDO with assistance from agriculture/horticulture expert
5	Temporary loss of land	Land temporarily acquired for the Project	Owner(s) with legal title, tenant(s), leaseholder(s), sharecropper (s), encroacher(s), squatter(s)	<ul style="list-style-type: none"> • 60 days' advance notice • Provision of land rental value during the duration of temporary acquisition • Restoration of affected land 		<ul style="list-style-type: none"> • Verification of APs by NEA • NEA determine rental values in consultation with APs • Restoration as part of contractors contract
7	Temporary loss of livelihood	Temporary loss of livelihood/source of income	Business owner(s), tenant(s), leaseholder(s), employee(s), agricultural worker(s), hawker(s)/ vendors(s)	<ul style="list-style-type: none"> • 60 days' advance notice • Provision of temporary access (e.g., planks across pipe trench) where possible • Provision of alternative sites for continued economic activity • Where provision of alternative sites is not feasible, compensation of lost income 		<ul style="list-style-type: none"> • Verification of APs by NEA • NEA to ensure restoration as part of contractors contract

				<ul style="list-style-type: none"> • Compensation for agricultural losses • Restoration of affected land, structure, utilities, common property resource 		
8	Any other loss not identified			Unanticipated involuntary impacts shall be documented and mitigated based on the, principles provided in World Bank Policy		

Table 8.2. Matrix of Socio-Economic Conditions, Impacts and Mitigation Measures in Project Affected VDCs

	EXISTING CONDITIONS	ANTICIPATED IMPACTS	SUGGESTED MITIGATION MEASURES	NOTES
1. ECONOMY / EMPLOYMENT				
	<ul style="list-style-type: none"> • Basic economy & primary employment: Agriculture & livestock rearing, combined with foreign employment with remittances (esp. in Gulf states) & some military/police & government service work. Agriculture includes standard field crops (rice, millet, corn, wheat) & cash crops (esp. tea plantation & <i>alaichi</i> (cardamom)). • Secondary employment includes daily wage labor work, carpentry, masonry, & small business. • Dalit most seriously deprived economically. • Women-headed households account for approximately 15% of landholders where ATs are sited. 	<ul style="list-style-type: none"> • Construction camp & workers impact on local economy, services & infrastructure. • Economic loss & quality of life changes due to land use changes (see also below, #2). 	<ul style="list-style-type: none"> • As far as possible employment on KCTLP will be given to local residents. • Skill training necessary for employment on KCTLP to be provided. • Women's upliftment programs to be implemented, esp. on micro-credit, village banking & savings, & small business operation. • Local employment be maximized so that impacts to local infrastructure & services will be minimised. • Construction camps to be provisioned with separate consumer good shops to the outside workforce for consumer products which are imported to the local area. • Priority given to vegetables & other daily consumer products grown locally for construction camp consumption. • The camps will be provisioned with separate communication services & transport services. • The camps will not use the local water supply facilities but will establish own water supply system. 	<p>Other than a few jobs on KCTLP, little disruption to basic employment is anticipated. Previous lack of opportunity in skills training reported.</p> <p>Cash crops have proven to have great potential for raising hhs economies. Ethnic Rai informants report significant economic income from cash cropping. Data incomplete, but same anticipated for Limbu & other ethnic groups.</p> <p>Close linkage here with Food Sufficiency/ Insufficiency situation under #3, below.</p>
2. LAND USE, CROP LAND & FOREST LAND				
	<ul style="list-style-type: none"> • With rare exception, land holdings are not large; many are insufficient to meet annual household needs for food production. • Over half the land for ATs is private, cultivated; much larger percentage under TL right-of-way between ATs. 	<ul style="list-style-type: none"> • Project acquisition of private agricultural lands at the 34 Angle Towers (ATs). • Minor land use change under TLs & ROW restrictions. • Minor built structures removal. • Minor discomfort to affected hhs. • Need to transport salvaged 	<ul style="list-style-type: none"> • Compensation for permanently occupied lands at transmission right of way (2.821 ha), & at PS/S (4.324 ha). • Partial compensation for temporary damage to crops/cropland & for rentals during TL construction period. • No change in agricultural land use along Transmission Line (TL) right-of-way (ROW) between ATs. • Compensation to ROW restriction (89.27 ha). 	<ul style="list-style-type: none"> • No population displacement or resettlement anticipated. • Need to engage locals as participants in rehabilitation program planning & implementation, through NGOs & CBOs.

		<p>materials.</p> <ul style="list-style-type: none"> • ROW restrictions on community forest lands (cut-back due to tree height restrictions); hence loss of fodder, timber, & fuelwood trees. • Damage to standing crops along ROW during TL construction period. • Temporary land rental during construction. 	<ul style="list-style-type: none"> • Compensation to built structures (23 structures). • Discomfort allowance to affected residential households (discomfort & rentals). • Transportation allowances for the salvaged materials. • Rehabilitation programs to the seriously affected households (to be defined in cooperation & with participation of local groups). • Compensation to community forest user groups for ROW tree height restrictions. • Direct Impacts on Community Forest/ Leasehold Forest Resources • Loss of standing trees on CF land to be compensated as per the norms of Forest Guidelines (2006) on the acquisition of forest land. • CFUG members to be given NTFP enhancement training programs & encouraged to develop NTFP plantation along TL ROW. • Interested CFUG members to be given job opportunities in the compensatory afforestation programs, as per Forest Guidelines (2006) 	
3. FOOD SUFFICIENCY				
	<ul style="list-style-type: none"> • Insufficient food supply from hhs agriculture is the norm. Only 5% Hhs interviewed report food sufficiency for 12 months. 15% for 9 mos. 37% for 6 mos. 39% for 3 mos. 	<ul style="list-style-type: none"> • Impact of outside construction crew influx on local food supplies. 	<ul style="list-style-type: none"> • Compensation for loss of fruit trees & agricultural production under ATs & for potential restrictions under TL ROW. • Training in improved agricultural & livestock rearing practices, & in cash crop raising. 	Close linkage with Economy/Employment (#1), above.
4. ENVIRONMENT				
	<ul style="list-style-type: none"> • Local environment largely undisturbed government & community forests. • Little concern for environmental issues due to low impact on the environment by local communities. 	<ul style="list-style-type: none"> • Telephone & electric lines disruption under TL during TL construction. • Potential environmental impacts with influx of outside workforce for TL construction. 	<ul style="list-style-type: none"> • Telephone & electricity user communities will be given prior notification regarding disruption of services. Services to be re-established as soon as the completion of the cable stringing. • Clearance above the telephone & electrical distribution lines will be maintained in all areas. 	

		<ul style="list-style-type: none"> • Impact on communal/ environmental resources base from construction activities. • Impacts to local area aesthetics & tourism. 	<ul style="list-style-type: none"> • The TL alignment avoids as far as possible community resources under the ROW. • Outside construction workforce will be discouraged from bringing family members to the local are (to lessen stress on environmental & social services). • Construction camps will not use fuelwood for daily food cooking; rather, LPG or kerosiene for cooking will be provided by the project at subsidized rates. • Construction camps sites will be located as much as possible outside public lands or community lands. • Any loss to the communal resources by the project will be compensated to the communities at the market price. • Placement of material stockpile in closed areas not obstructing the general visual aesthetics of the stockpile area • Foundation excavation works be limited to the required amount & placement of the material & spoil in environmentally friendly manner not disturbing the local visual aesthetics • Stockpile the cleared vegetation (timber & biomass) in specific areas not disturbing the local visual aesthetics. • Plantation of high growing local tree species on either side of the ROW to hide the pylons & the cables at a safe distance from the cable & pylon structure outside the ROW. 	
5. HEALTH & SANITATION				
<ul style="list-style-type: none"> • Serious community & personal health & sanitation issues. • Below average access to safe drinking water. • Below average access/use of & Adequate & safe sanitation (toilets) 	<ul style="list-style-type: none"> • Potential disruption to drinking water systems (natural water sources & piped water). 	<ul style="list-style-type: none"> • Care to be taken not to damage water systems during TL construction. • Compensation for any damaged water systems (natural sources & pipes). • TL construction workforce to be instructed & monitored regularly re: occupational health risks 	<p>A general of awareness of basic health issues & preventative measures reported in most communities.</p>	

		devices.	along ROW with instructions to safeguard populace from electrical & electromagnetic fields.	
6. EDUCATION				
	<ul style="list-style-type: none"> • Level of educational attainment generally not high: 29% illiterate. 37% completed only primary school. 12% lower secondary. 7.5% higher secondary. Only 5.4% SLC level. Above that: negligible. • Educational facilities & opportunities insufficient or lacking. • Health education lacking. 	<ul style="list-style-type: none"> • Minimal impacts anticipated. 	<ul style="list-style-type: none"> • Assist in upgrading local schools & teacher education training, especially to most seriously affected hhs. 	In the short run, job skills training & enhancements to agriculture & livestock rearing practices may be more important in quickly enhancing/improving the local economy.
7. SOCIAL, CULTURAL, LEGAL				
	<ul style="list-style-type: none"> • Traditional socio-cultural systems exist. • Standard rural legal & security situation, largely without police presence. 	<ul style="list-style-type: none"> • Indirect Impacts on Law & Order Situation. • Indirect impacts on local tradition & culture. 	<ul style="list-style-type: none"> • The local law & order authorities will be regularly informed about the construction planning & sites of construction works & activities. • The construction workforce will be regularly instructed to respect local people & their traditions & culture & to avoid conflict with local people. • The construction workforce will be regularly instructed to remain within the camps in between 7pm to 6am daily unless required for construction works. • Avoid entering into private premises without informing & without the permission of the property owners. • Contractors & workforce to be instructed to honor local culture & traditions, & to behave with civility & respect with local population. 	

9.0 PUBLIC DISCLOSURE, CONSULTATION AND PARTICIPATION PLAN OF KCTLTP

Public consultation will be an integral part of the process throughout the planning and execution of the sub-project. The KCTLTP/NEA will interact closely with APs/communities, project personnel, government departments and NGOs right from the early stages of project preparation on a regular basis for developing and implementing the RAP.

Though the project does not envisage significant social impacts, the project will ensure that the communities are made aware of the possible adverse social impacts. For this purpose, public contact drives shall be organized by the NEA and public awareness shall also be created through NGOs and other social organizations active in the affected areas. During the public awareness drives, it will be ensured that only accurate information is presented about the project and its possible social impacts. Opinions and suggestions made by community members/affected groups shall be incorporated into the Resettlement Action Plan during the selection of the TL route, tower locations and PSS locations. The details are highlighted below.

9.1 Project Stakeholders

The stakeholders other than NEA/Department of Electricity Development/Ministry of Water Resource! Ministry of Environment are listed and categorized below:

9.2 Stakeholders Descriptions

Affected Persons /Families/ Communities / Government Agencies, Landowners, tenants, house and lot owners, house owners, informal, settlers, house occupants and, structure/business owners, community and government agencies whose properties will be affected and/or will be displaced by the project's construction. District Government Office and Offices of Local Governments, All district government offices and local government offices that have jurisdiction on the area occupied by the project.

9.3 Mechanisms for Stakeholders' Participation

It is NEA's responsibility to inform all relevant stakeholders of the important aspects of the project so that they can be informed about the decisions on how the construction of Transmission Line and ATs, Substation will affect them and how they can best benefit from it.

9.3.1 Dialogues/Consultation

Consultation with the affected APs and communities was started during the socio-economic surveys of the households in the affected areas. Such consultation, however, shall continue in the coming periods of RAP implementation. APs, communities and local governments shall be consulted for evaluation of the land and properties for compensation and shall be the part of the Compensation Fixation Committee.

9.3.2 Information Campaign

Project brochures were prepared and distributed to the affected APs, local governments and interested local NGOs and CBOs. The brochures give information on the project alignment, potential impacts and its gravity and steps taken by the project to minimize the impacts. NEA project office shall organize and will be responsible for the presentation and dissemination of information sought by APs on related issues. A field team from the project management office is regularly providing information at the site level to the APs, local government and NGOs as and when required.

9.4 Role of NGOs and CBOs

As in any national development project, APs seek the assistance of non-government and/or community based organizations (NGOs/CBOs) for a nonpartisan or impartial assessment of the project. These

groups are encouraged to participate in public hearings and community dialogues and voice out their concerns about the project.

10. INSTITUTIONAL ARRANGEMENT FOR RESETTLEMENT ACTION PLAN (RAP) IMPLEMENTATION

The NEA is responsible for overall implementation of the RAP based on the requirement of World Bank and shall provide the necessary resources such as the budget and the manpower. To ensure smooth implementation of the RAP, the different NEA departments as well as the relocatees are tasked with the following responsibilities.

10.1 Organizational Linkages and Responsibilities

10.1.1 KCTLP

- Conducts consultations/dialogues and project presentation with the APs and concerned VDCs, municipalities, DDCs and District Offices respectively.
- Secures project endorsements.
- Identifies affected households/persons and prepares initial valuation of houses/structures as a start point to Compensation Fixation Committee.
- Surveys and values lands, crops/improvements and recommends payment of the same to the NEA Board.
- Prepares and secures approval of the RAP.
- Secure necessary budget for RAP.
- Identifies affected landowners and tenants and negotiates for the acceptance of payment of affected lands, crops, trees and plants as well as prepares DVs for the payment of the same.
- Facilitates the resolution of right of-way and resettlement issues.
- Implements RAP and provide updates to NEA.

10.1.2 Account Section, KCTLP

Processes and disburses payments for relocation in consultation with PMO

10.1.3 Relocatees

- Relocate/transfer their houses and structures outside the project boundaries within thirty (30) days after receipt of payment due them.
- Cooperate with the KCTLP/NEA offices and other government agencies in the implementation of the RAP.
- Help maintain peace and order during and after relocation.

10.2 Institutional Capability Building and Strengthening

Some of the staff currently working under KCTLP will be involved in the resettlement planning, Land parcel investigation and socio-economic surveys of the APs in other NEA transmission line projects. They have skills in dealing and maintaining public relationship with the APs and in the conflict resolution. Some of the current KCTLP staff will be deputed for RAP implementation. The new staff of KCTLP shall be given training through workshops and seminars from the experienced staffs of NEA involved in other T/L RAP projects with an objective to strengthen institutional capacity building of the personals prior to the start of RAP implementation.

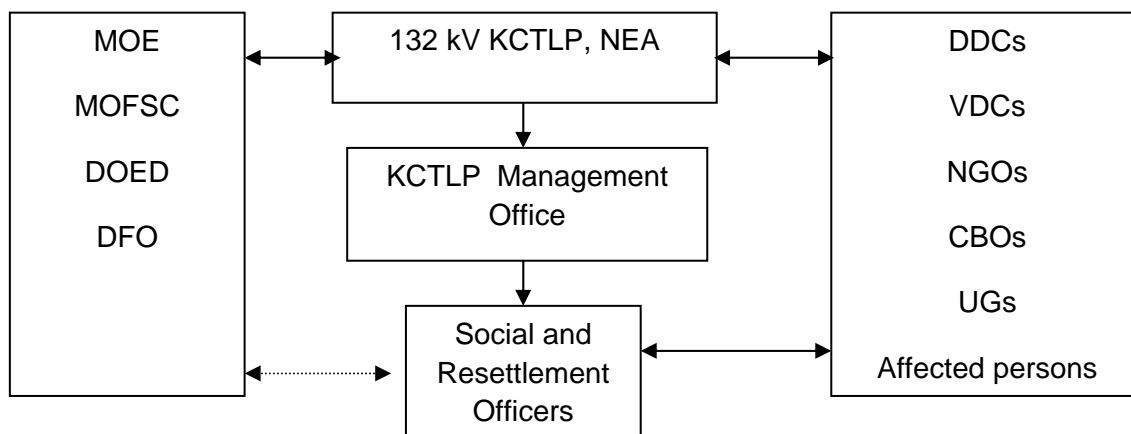
10.2.1 Project Social Management Plan Structure and Stakeholders Responsibility

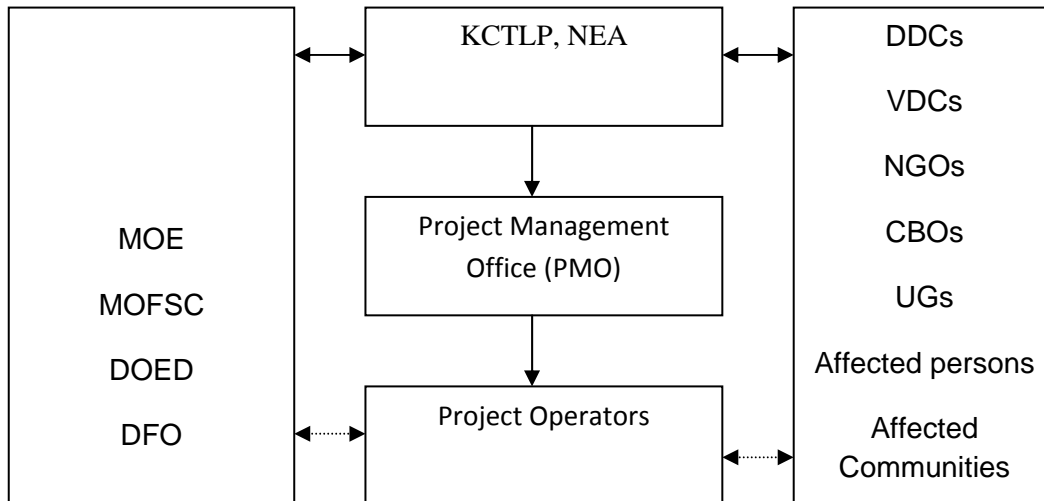
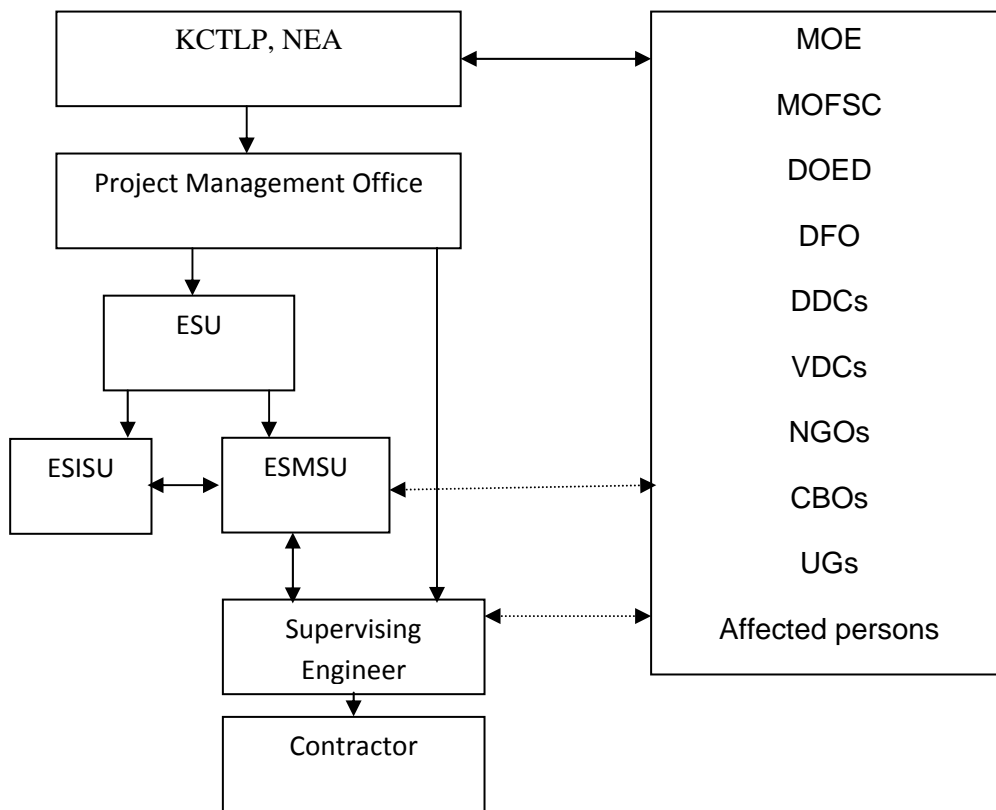
The Project Environmental Management Framework of KCTLP is prepared to shows linkages with different parties to be involved directly or indirectly during the different phases of project development and operation in compliance with the existing Act and Rules.

Overall project social and environmental management is the responsibility of KCTLP Management Office (PMO). Key stakeholders including KCTLP, to be involved for project social and environmental management in the hierarchy orders are:

- 1 Ministry of Energy (MOE);
- 2 Ministry of Forest and Soil Conservation (MOFSC)
- 3 Department of Electricity Development (DOED);
- 4 Department of Forest and its line District Office
- 5 The Proponent (NEA) and its line offices, KCTLP
- 6 Social and Resettlement Officers
- 7 Compensation Fixation Committee
- 8 Supervising Engineers (SE);
- 9 Construction Contractor (CC);
- 10 Affected Village Development Committees and District Development Committee etc
- 11 Non-government Organizations, Community Based Organizations (Community Forest User Groups, and other user groups etc.).

Social Management Plan structure for different phases of project development and implementation are depicted in Figure below.





11. MONITORING AND EVALUATION

Monitoring and evaluation are important activities of the RAP because these will keep track of NEA's commitments to programs and projects and will ensure the attainment of the program's goals and objectives. Monitoring of the RAP implementation will be done both internally and externally. Internal monitoring will be undertaken by NEA through the KCTLP/NEA, while external monitoring will be contracted out to a third party. Performance indicators that reflect the program's objectives will be the basis of monitoring and evaluation. The parameters/indicators for monitoring and evaluation will be as per the RAP report.

11.1 Internal Monitoring

Project will be monitoring its own concern particularly the status of their activities as well as expenditures. The expenses will be audited by the NEA Audit Department. The implementation schedule on relocation and rehabilitation will be used in monitoring the activities. Monthly status reports are prepared by the KCTLP on payment of RAP compensation, assistance and grants. The conduct of continuing information campaigns/dialogues and issues and concerns of stakeholders are also included in the KCTLP report. The project management will ensure that the monitoring by KCTLP is conducted as per the requirement. It will regularly review the reports and provide comments and suggestions for improvements. The reports shall also be sent for review and comments to NEA management and to the World Bank for review.

11.2 External Monitoring

The Project Manager will contract out external monitoring of the RAP implementation to a third party. A term of reference will be prepared by the KCTLP and reviewed and agreed upon by the funding agency and the third party. NEA will provide cost from the project budget.

11.3 Post-relocation evaluation

After completion of resettlement and development activities, a process and impact evaluation will be undertaken as per prevailing Laws. The evaluation will specially assess whether living standards of the relocatees have been restored or enhanced. It will also review the RAP program's efficiency, impact and sustainability. The evaluation results shall serve as NEA's tool/reference to improve the formulation of future relocation programs.