



# **Resettlement Action Plan for Upper Arun Hydro Electric Project**

**Upper Arun Hydro-Electric  
Limited (UAHEL)**

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## Acronyms and Abbreviations

AJ	Adavasi Janajati
AVH	Assistance to Vulnerable Households
CDO	Chief District Officer
CLO	Community Liaison Officer
CDC	Compensation Determination Committee
CFUG	Community Forest User Group
CIA	Cumulative Impact Assessment
DLRO	District Land and Revenue Office
ESIA	Environmental and Social Impact Assessment
ESS	Environmental and Social Standards
FHH	Female-headed household
FGD	Focus Group Discussions
FPIC	Free and Prior Informed Consent
GRM	Grievance Redress Mechanism
HH	Households
ILO	International Labor Organization
IPP	Indigenous Peoples' Plan
IMS	Information Management System
KII	Key Informant Interview
KPI	Key Performance Indicator
LAA	Land Acquisition Act
LACIC	Land Acquisition / Compensation Implementation Consultant
LRP	Livelihoods Restoration Plan
LRPIC	Livelihoods Restoration Implementation Consultant
MBNP	Makalu Barun National Park
M&E	Monitoring and evaluation
NEA	Nepal Electricity Authority
NTFP	Non-Timber Forest Products
PAH	Project-Affected Households
PAP	Project-Affected Persons
PIC	Project Information Centre
RAP	Resettlement Action Plan
RoW	Right-of-Way
SEP	Stakeholder Engagement Plan
UNDRIP	United Nations Declaration on Human Right of Indigenous Peoples
UAHEP	Upper Arun Hydroelectric Project
WB	World Bank



## EXECUTIVE SUMMARY

1. The Upper Arun Hydroelectric Project (UAHEP or 'Project') is a proposed 'peaking run of the river' hydropower project to implemented by the Upper Arun Power Company (UAPC or 'Company'), a subsidiary of the Nepal Electricity Authority on the Arun River within Province 1, Sankhuwasabha District, and specifically within the Bhotkhola and Makalu Rural Municipalities of eastern Nepal. This Project lies in a straight line about 200 km east of Kathmandu, the capital of Nepal, approximately 140 km north of the provincial capital, Biratnagar, and about 40 km north of the district headquarters at Khandbari. This also places the Project approximately 10 km south of Chinese border. The proposed UAHEP underground power plant site would be located on the left bank of Arun River, close to village of Sibrun, about 750 m upstream of the confluence of the Arun River with Leksuwa Khola. This final design provided for a rated capacity of up to 1,061 MW, a 100 meter (m) high dam with a reservoir at elevation 1,640 m above sea level, and an annual average energy generation of 4,531 gigawatt-hours (GWh). The Project will acquire private land for the development of its facilities which will cause both physical and economic displacement. This RAP is prepared based on secondary information, census and socio-economic surveys and consultations with the affected communities.

2. The Project estimates that the various surface and underground works and interventions for the Project would require acquisition of 195.8 ha of land (for the hydropower and access road components, which will affect all or portions of 699 privately owned land parcels (119.5 ha) and 92 government owned land parcels (76.3 ha).

3. Temporary land disturbance will affect an additional approximately 75.8 ha of land for a period of less than two years. The anticipated impacts resulting from the Project's land acquisition activities can be grouped broadly into three categories: (1) impacts to physical resources, (2) impacts to economic-productive resources, and (3) impacts to socio-cultural resources.

4. Physical displacement related to land acquisition will affect 22 households who currently live on residential plots within the Project area. These 22 households that will be physically displaced will lose 23 residential buildings, meaning one of these physically displaced PAHs has more than one residential structure on lands being acquired by the Project. In addition to these primary residential structures, the Project will displace 85 ancillary residential and productive structures (including latrines, workshops, sheds, and other storage).<sup>1</sup> Various options are proposed from physical and economic displacement of affected people.

5. Most agricultural land affected by the Project will be permanently lost for agricultural production. (587 plots<sup>2</sup> owned by 335 PAHs). The remainder of affected plots (118) are characterized by other land uses, including commercial, homestead, fallow, barren, grazing, and multiple). As shown, the villages with the largest numbers of agricultural parcels being acquired by the Project are Rukma, Namase, and Sibrun. All physically displaced households will also lose productive land; therefore, they are included in the totals below. Households will lose crops or trees on land as it is cleared for construction. This includes loss of permanent crops (such as fruit trees), multiannual crops such as cardamom, and seasonal crops (although the Project will make every effort to facilitate harvesting of seasonal crops prior to taking possession of lands). In addition, 25 livestock sheds and 12 cardamom drying ovens were reported in the asset inventory. The other losses that the Project will consider and mitigation or compensate for are loss of community cohesion, loss of access to educational facilities in Sibrun and Rukma, and cultural heritage resources (one *lungdarr* and one *stupa [gumba]*). Another cultural heritage resource is a *devithan* (a cultural heritage site), which is located within the Spoil Disposal #2 area (Namase). This is a cultural site which does not include any structure eligible for compensation;

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<sup>1</sup> Ancillary structures refers to any structure that is not inhabited by household members. Therefore, although some of these structures serve economic-productive purposes (e.g., livestock sheds, cardamom drying oven) and other serve residential purposes (e.g., latrines, storage), they are jointly considered under physical / structural losses, rather than economic losses in the Compensation and Restoration Matrix in Chapter 6.

<sup>2</sup> This is 581 privately owned plots.

however, community consultations with the Namase community indicate that the community is concerned about indirect impacts on this cultural site.

6. The project will establish a grievance resolution mechanism (GRM) consisting of:

- For land acquisition and compensation payment related complaints the procedures available in the Land Acquisition act apply. All related complaints will be managed by the District Administration Office. For all other activities described in this RAP to be implemented by UAHEL the following GRM system will be established:
- People with any grievance can contact UAHEL and resolve it. In addition, local level and district level committees will be constituted and notified. People can have also the option to appeal to judicial system.

7. The project will pay particular attention to the vulnerable people consist of elderly people, especially those lacking adequate extended family support who do not own means of production; female-headed households (FHHs), especially those lacking adequate extended family support and / or means of production; persons or households who lack of any potential source of income and / or are in a condition of poverty; households with children lacking adequate support (i.e., more than four children per adult household member); Dalits; and disabled persons, particularly those without employable skills or suffering from chronic health conditions.

8. The project will be implemented through both internal and external monitoring and evaluation. **Internal monitoring** will be focused on implementation progress, including land acquisition, Livelihood restoration and physical displacement activities. The **External monitoring** will be carried out through third-party reviews and examination of resettlement activities, performance, and outcomes. External evaluations will include annual audit by an independent resettlement expert and completion audit. Completion audit will also include satisfaction level of PAPs on compensation payment and resettlement support. The estimate budget for implementation of RAP is NPR.3337.47 million (USD 28 Million).

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# 1. INTRODUCTION

## 1.1 Project Background and Description

The Upper Arun Hydroelectric Project (UAHEP or 'Project') is a proposed 'peaking run of the river' hydropower project to implemented by the Upper Arun Hydro Electric Limited (UAHEL or 'Company'), a subsidiary of the Nepal Electricity Authority on the Arun River within Province 1, Sankhuwasabha District, and specifically within the Bhotkhola and Makalu Rural Municipalities of eastern Nepal (see **Figure 1-1**). This Project, which will be constructed by a contractor overseen by the Company, lies in a straight line about 200 km east of Kathmandu, the capital of Nepal, approximately 140 km north of the provincial capital, Biratnagar, and about 40 km north of the district headquarters at Khandbari. This also places the Project approximately 10 km south of Chinese border. The proposed UAHEP underground power plant site would be located on the left bank of Arun River, close to village of Sibrun, about 750 m upstream of the confluence of the Arun River with Leksuwa Khola.

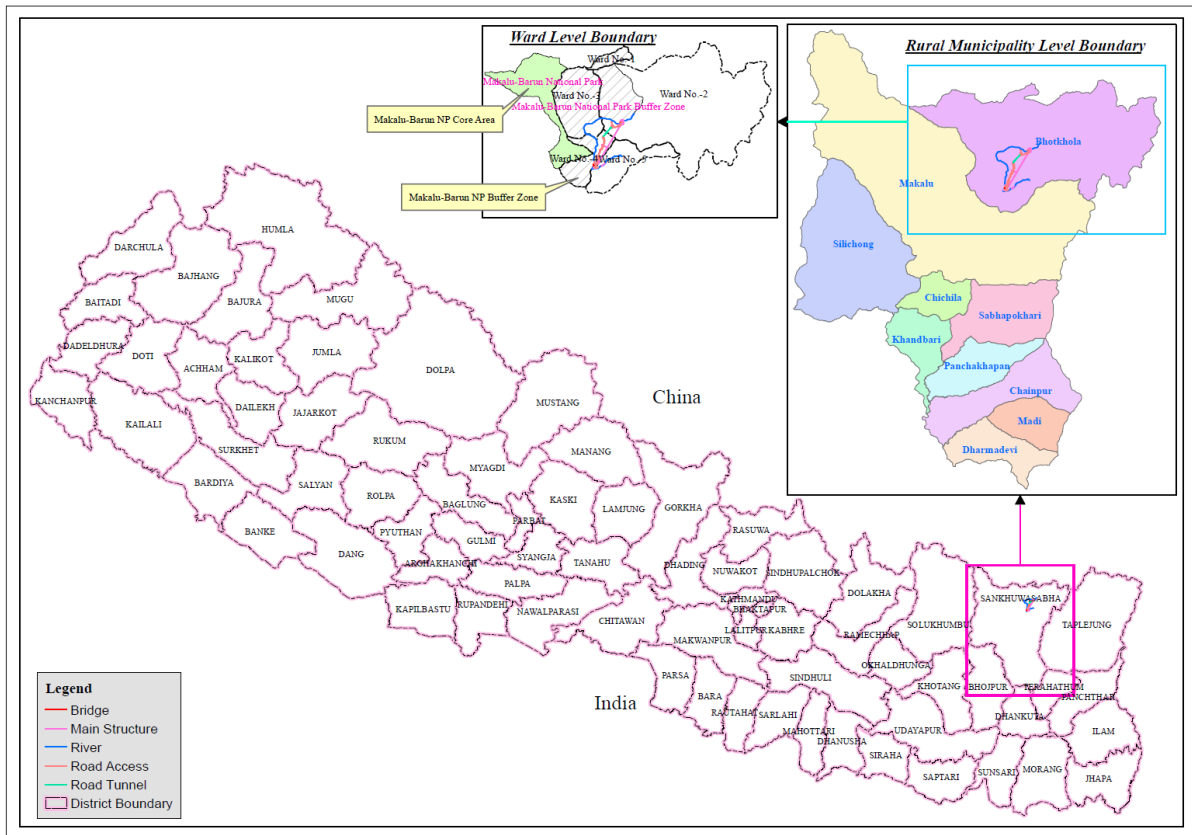


Figure 1-1: Project Location Map

This final design provided for a rated capacity of up to 1,061 MW, a 100 meter (m) high dam with a reservoir at elevation 1,640 m above sea level, and an annual average energy generation of 4,531 gigawatt-hours (GWh). The project will include the following components (see **Figures 1-2** and **1-3**):

- A dam, which is located near Chepuwa and Rukma villages, in a narrow gorge about 350 metres (m) upstream of the Arun River's confluence with the Chepuwa River;
- An underground powerhouse, which is located near Sibrun Village 16 km downstream of the dam site, near the Arun River's confluence with the Leksuwa Khola;
- An approximately 5.8 km 400 kilovolt (kV) double circuit transmission line that runs from the UAHEP power plant to the proposed Arun Hub substation at Hitar, where it will connect with the national grid;
- An approximately 22 km long access road connecting the UAHEP power plant with the dam site, with about 2 km of road consisting of a tunnel and another segment forming the proposed Arun River Bridge;
- Two camps for owners (at Limbutar and Rukma), and four camps for contractors located at Rukma (access road and dam), Namase (access road), Hema (headrace adit), Sibrun (access road and surge tank) and Chongrak (access road and powerhouse); and
- Ancillary facilities, including, but not limited to, project offices, worker camps, a quarry, borrow areas, a crusher plant, batch plants, laydown areas, maintenance yards, spoil/muck disposal areas, fabrication and maintenance shops, and other roads necessary to access these facilities.

The below sections present an overview of the three main components of the Project. (Further details are available in the Project Environmental and Social Impact Assessment [ESIA] [2022]). Their implications in terms of resettlement are introduced in a general sense in Section 1.2 and elaborated more fully in Chapter 3.

**Access road:** The access road will be approximately 22 km long, within a 30-metre-wide right-of-way (RoW)<sup>3</sup> that the Project will permanently acquire, providing access to both the Project power house and head works. The access road begins at the Koshi Highway about two km north of the village of Gola and crosses about 60 metres of agricultural land to reach the proposed Arun River Bridge (**Figure 1-2**). Once over the river, the road passes by the small settlement of Limbutar and through the village of Sibrun, and continues north of the villages of Hema and Namase before reaching the southern tunnel portal. The road then goes through a narrow tunnel for approximately two km emerging at the northern tunnel portal, and then passes by the east of the village of Rukma, eventually crossing the Chepuwa Khola before reaching the head works site.

**Hydropower component:** The hydropower component will involve the construction of a dam on the Arun River, which will form a 20.1-hectare reservoir, a headrace tunnel for transporting water from the reservoir, and a power house with an installed capacity of 1,040 megawatt (MW), which will use the transported water to generate an estimated 4,513 GWh of energy on an average annual basis. The Project will create a 16.45 km long diversion reach along the Arun River (i.e., the river segment between the dam, where some river flow will be diverted, and the powerhouse, where this diverted flow will be returned to the river). This stretch of the river will experience reduced flows.

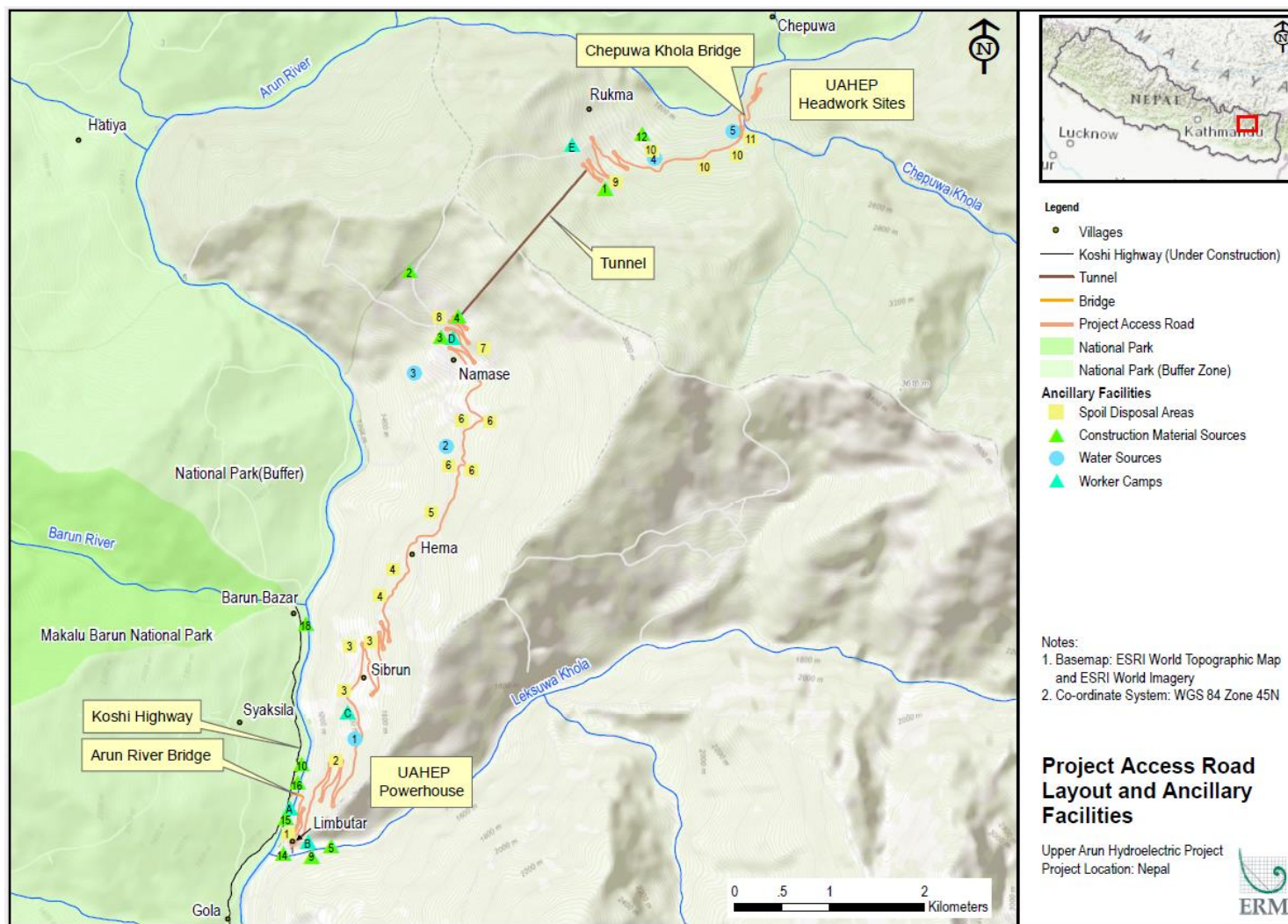
**Transmission line:** The Project will require construction of a transmission line to evacuate the electricity generated at the powerhouse and connect it to the Nepal electricity grid. The UAHEL proposes to construct a 5 km long, 400 kilovolt (kV) double circuit transmission line within a 46 m wide right-of-way (RoW) extending from the UAHEP pot yard to the proposed Arun Hub substation at Hitar.<sup>4</sup> The RoW is the area of land that will be used to locate, construct, operate, and maintain the transmission

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<sup>3</sup> This RoW is designed to safely facilitate construction activities such as slope cutting, and to account for potential landslides.

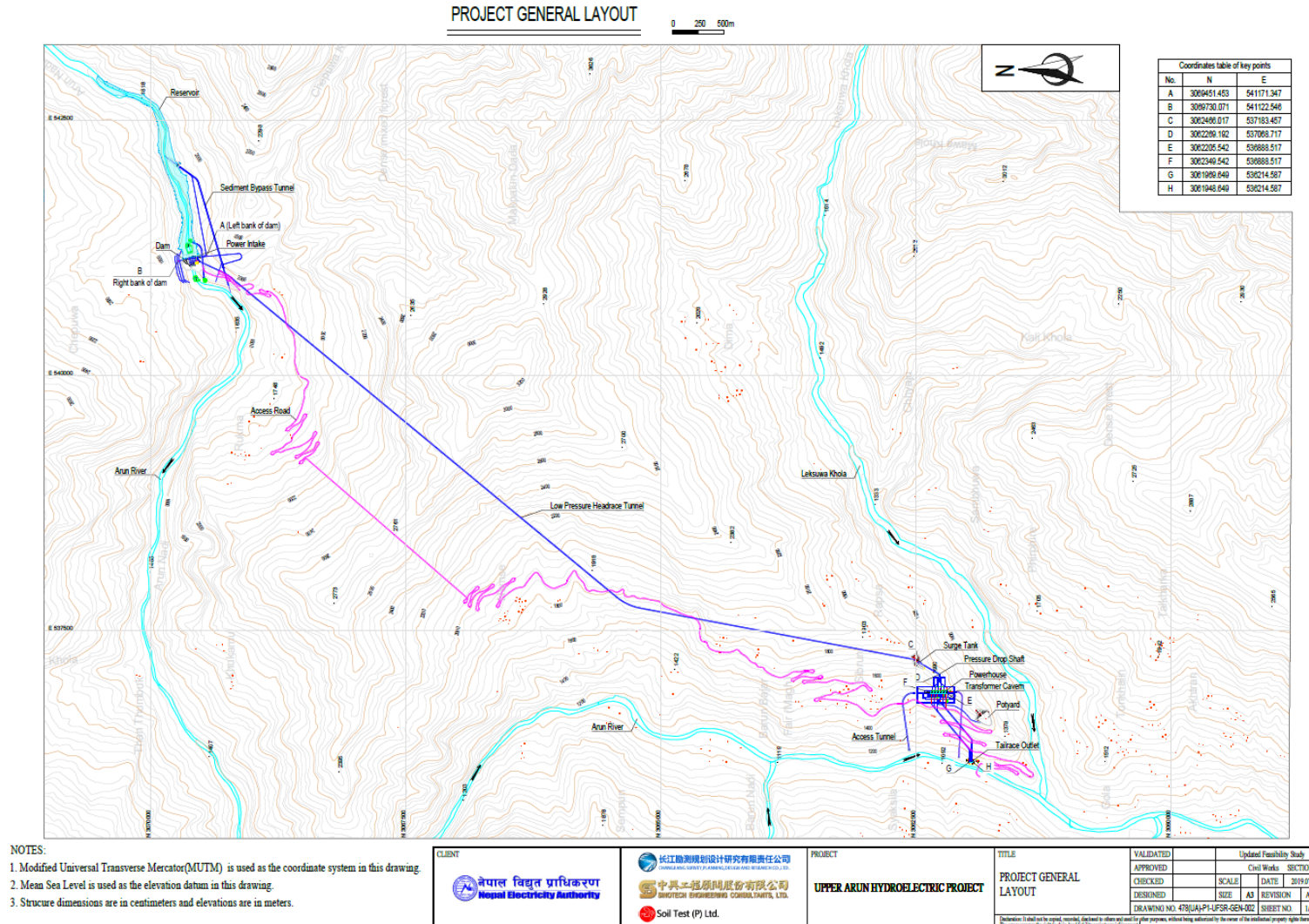
<sup>4</sup> The Arun Hub substation is currently undergoing a detailed feasibility study by the UAHEL. The current UAHEL transmission line shows a connection to the proposed Arun Hub substation location, but it is understood that at least the terminal tower shown in the current transmission line design may need to be adjusted to properly align with the substation electrical bay orientation.

line. Most structures and certain activities are restricted within the RoW to ensure there will be no future incompatible development that will affect transmission line operations and to protect local residents from any adverse health effects from electric and magnetic fields. The standard RoW width for a 400 kV transmission line in Nepal is 46 meters, or in other words 23 meters horizontally on each side from the centerline. The transmission line towers will be located along the centerline of the RoW. The precise locations of the transmission line towers were not decided upon in time for the land and asset survey and socioeconomic census activities which inform this Resettlement Action Plan (RAP) (described in Chapter 3). This RAP will therefore not address in detail any lands relating to the transmission line. Full information relating to the transmission line will be provided in a supplementary RAP.



**Figure 1-2: Project Access Road Layout and Ancillary Facilities**





**Figure 1-3: General Layout Plan of the UAHEP**

## 1.2 The Need for Displacement

Despite the Project's efforts to minimize impacts from land acquisition and resettlement (see Chapter 3), the construction and operation of the Project will nonetheless result in the physical and economic displacement of some households located within the Project footprint. This RAP refers to these displaced households collectively as project-affected households (PAHs). Where relevant to demonstrate demographic or other nuances, this RAP will also make occasional reference to project-affected persons (PAPs), meaning the individuals constituting the PAHs. Based on current plans, construction and operation of the Project will result in two types of displacement:

Physical displacement, meaning the loss of people's homes; and

Economic displacement, meaning the loss of economic-productive assets that leads to loss of or impacts to income sources and other means of livelihood.

Specifically, the Project as it currently stands will result in the physical and economic displacement of 335 households as described below:

- 22 PAHs experiencing physical and economic<sup>5</sup> displacement (approximately 109 PAPs); and
- 313 PAHs experiencing economic displacement only (approximately 1614 PAPs).

To plan for and manage an effective and equitable resettlement process that ensures that displaced people are better-off after their displacement, this RAP has been prepared in accordance with the World Bank's Environmental and Social Standards (ESS5) as well as Nepal laws and regulations. This RAP incorporates all the information received during community consultations and multiple rounds of socioeconomic census and land / asset survey activity that took place between June 2019 and March 2021. (See Chapter 2 and Chapter 3 for additional detail) and intended to provide a detailed overview of the resettlement approach and its implementation and also provides a framework for additional land acquisition and impacts encountered during the project construction period. Specifically, this RAP:

- Acts as the Company's overarching document to guide the development of the Project's land access and resettlement planning.
- Re-iterates the principles, objectives, procedures, organizational arrangements, and institutional responsibilities for land access and resettlement planning within Nepal;
- Presents the results of a socioeconomic census and land and asset survey carried out in the Project area, and related evaluation of said assets;
- Identifies the applicable national and World Bank's standards that will govern the resettlement programmes under this Project;
- Defines the eligibility criteria and entitlements
- Summarizes the Project's land requirements, potential land access and resettlement impacts, categories of PAHs, and a proposed entitlements matrix containing compensation and resettlement options, as well as provisions for livelihood restoration and support for vulnerable PAHs;
- Outlines how the Project has consulted with PAHs, local authorities responsible for implementing and overseeing the RAP, and other interested stakeholders to ensure their participation in the resettlement planning process, including the establishment of a Grievance Redress Mechanism (GRM) through which PAHs can raise Project-related concerns; and
- includes high-level plans for how the Project will be implemented, monitored, and evaluated.

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<sup>5</sup> In all cases, PAHs that are physically displaced are also economically displaced. However, for the sake of clarity and delineation between those PAHs whose residences are being affected by the land acquisition (i.e., physically and economically displaced) and those whose residences are not affected (i.e., economically displaced only), this document will refer to the former as 'physically displaced'.



## 1.3 Outline of RAP

Beyond this introductory chapter, the remainder of this RAP consists of the following:

**Chapter 2:** Project Context and Project Area Profile. This chapter describes the methodology for establishing a social baseline, and presents a summary of socioeconomic census data for PAHs, an explanation of relevant definitions, and an overview of the socioeconomic conditions in the Project area.

**Chapter 3:** Legal Framework, Land Acquisition and Resettlement Impacts. This chapter summarizes relevant Nepal legislation and the WB ESS for land access and resettlement processes (ESS5). It also provides an analysis of gaps between national legislation requirements and ESS5 and provides an overview of measures to address any such gaps. This chapter also gives an overview of anticipated impacts and provides a description of efforts to minimize the scope of physical and / or economic displacement.

**Chapter 4:** Resettlement Stakeholder Engagement and Participation. This chapter provides a summary of stakeholder engagement efforts to date and an overview of plans for resettlement-specific stakeholder engagement moving forward (including the role of the Project's broader Free and Prior Informed Consent [FPIC] process).

**Chapter 5:** Grievance Redress Mechanism. This chapter includes a description of the Project's GRM and associated grievance management system.

**Chapter 6:** Compensation, Restoration, and Resettlement Strategy. This chapter gives an explanation of a proposed Compensation and Restoration Framework, including the definition of entitlement categories, valuation methodology, eligibility framework, and implementation strategy. It also presents the Project's Compensation and Restoration Matrix.

**Chapter 7:** Livelihood Restoration Framework. This chapter details concerning the proposed Livelihood Restoration Plan (LRP) for PAHs.

**Chapter 8:** Assistance to Vulnerable Households. This chapter summarizes the methodology for identifying vulnerable households and the planned programme for assisting vulnerable households experiencing resettlement impacts.<sup>6</sup>

**Chapter 9:** Monitoring and Evaluation. This chapter describes the Project's plans for internal monitoring (including delivery of compensation in accordance with agreed schedule, livelihood restoration monitoring, standard of living monitoring, and monitoring of vulnerable households) and for external evaluations/audits.

**Chapter 10:** Implementation Schedule, Budgetary Considerations, and Organizational Structure. This final chapter provides details concerning remaining steps for RAP finalization, a proposed implementation team and RAP implementation schedule, as well as providing a preliminary budget for implementation.

## 1.4 Consideration of Indigenous Peoples

The UAHEP has important implications for Indigenous Peoples – also referred to in this document as Adavasi Janajati (AJ) – as approximately 99% of the PAPs affected by involuntary displacement self-identify as AJ (see Section 2.2 for further details). In such instances, the international guidelines to which this Project aspires require project proponents to determine if an FPIC process is required and, if so, to undertake said process. Specifically, with World Bank's ESS 7 requires that all project proponents:

- Assess the nature and degree of direct and indirect economic, social, and cultural and environmental impacts on Indigenous Peoples' communities either present in, or have a collective attachment to, the Project Area;

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<sup>6</sup> The vast majority (99% of the PAHs affected by resettlement) are Indigenous Peoples. Therefore, all components of this RAP have been developed in full consideration of both the unique needs of Indigenous Peoples, and in recognition of the Project's broader FPIC process that occurs simultaneously to, but separate from, the RAP disclosure process (see Chapter 4 for more details).

- Prepare a consultation strategy, and identify the means by which Indigenous Peoples will participate in project design and implementation;
- Obtain the FPIC of affected Indigenous Peoples, when required; and
- Avoid / minimise adverse impacts on Indigenous Peoples in the project area, respecting the local culture and customs, fostering good relationships and ensuring that development benefits are provided to improve their standard of living and livelihoods.

It also requests that, where relevant, project proponents develop separate grievance redress mechanisms and Indigenous Peoples' Development Plans which are attuned to the cultural and spiritual needs and preferences of Indigenous Peoples. As will be described in following chapters, the broader UAHEP Project has engaged in an independently lead third-party FPIC process in parallel to the development of the Project ESIA and as of December 2022 the process of receiving consent from the affected Indigenous Peoples was greatly advanced. A complementary Indigenous People Implementation Plan is under preparation to fully meet the World Bank requirement of ESS7.

## 2. PROJECT AREA CONTEXT AND PROFILE

In this chapter a summary of the socioeconomic environment in the area of the Project and specific details of the households directly affected by resettlement is provided. A baseline socioeconomic census was conducted between June 2019 and January 2020 to collect information on land and asset ownership. It is important to note that the first round of data collection occurred between June and July 2019, and collected socioeconomic information for the 289 PAHs out of total 335 affected PAHs. In November 2020, the Project once again entered the field to conduct community consultations and collect land ownership data and other information from local authorities.<sup>7</sup> Between February and March 2021, the Project made a final trip to the field to collect remaining socioeconomic and land ownership information for those households who were either absent from their properties during the previous survey round, or whose properties were not previously included in the identified lands to be acquired due to differences in original and final alignment / location of some Project components.

The information relating to land / asset ownership presented in this RAP is based on the data available as of March 2021 and will be suitable updated during the implementation of RAP as needed.

The cut-off date for titleholders is the notification in accordance with section 9 of Nepal's Land Acquisition Act, which took place on August 11, 2022. The land acquisition notification was widely notified in the local newspapers. This is the cut-off date for land and assets. No one is depending on public lands to be required for the project. Therefore, no cut-off date was established for informal occupiers.

### 2.1 Baseline Methodology

The Project's baseline is based on a multi-dimensional analysis of territory and socioeconomic, physical, and psychosocial conditions of the affected population. It was collected using qualitative and quantitative techniques and drawing on the principles of triangulation and convergence.

To collect the relevant data, the Project undertook a number of surveying and census activities with individual PAHs. In addition to physical mapping techniques to better understand the lands in question, the Project has used the following techniques to understand the affected population (**Table 2-1**):

**Table 2-1: Data Collection Techniques**

Data Collection Technique	Unit of Data Collection	Type of Data Collected
Socioeconomic census	Household level	Quantitative data collected through questionnaire to form socioeconomic profiles of all households affected by the Project. This includes information – to complement the below land / asset survey data – pertaining to female land ownership, as well as the division of labour within the household, which allows for a better understanding of who has 'stake' in household assets beyond formal ownership.
Land and asset survey	Land and assets within the Project footprint, households/individuals using resources within Project footprint	Inventory of all land / assets of all households affected by the Project, as well as resource-users in the Project area.

<sup>7</sup> Fieldwork was undertaken by ERM, the Project's land acquisition and resettlement consultant

Data Collection Technique	Unit of Data Collection	Type of Data Collected
Focus group discussions and interviews <sup>8</sup>	Community and sub-group within community level	Community opinions / interests on options for livelihood restoration strategies, valuation of land and compensation, implementation approaches, monitoring system, and grievance mechanism.

The Project conducted the primary land and asset survey between December 2019 and January 2020, followed by an additional round of land and asset survey fieldwork between February and March 2021.<sup>9</sup> This latter round of fieldwork covered households which were not included during the first round of survey fieldwork, either because of changes in Project footprint requiring the acquisition or additional / different land parcels (thus creating new PAHs) or because they were not physically present on their lands to participate in the first land and asset survey. Hereafter these rounds of survey fieldwork will collectively be referred to as ‘the land and asset’ survey.<sup>10</sup>

In addition to the quality and quantity of each land parcel, this survey inventoried all moveable and non-moveable assets on the lands to be acquired by the Project, including residential and non-residential structures, crops, trees, other improvements to the land (such as irrigation systems).

Between June and July 2019 and February and March 2021, the Project also undertook a socioeconomic census of all households directly affected by land acquisition.<sup>11</sup> This census targeted all PAHs (physically and economically displaced) and consisted of questions on a variety of topics including: income, expenditures, occupation, housing, education, religion, household composition, disabilities and other measures of vulnerability, and perceived standard of living. It is important to note that a single respondent was responsible for filling out information for the entire household; 72% of the respondents were men, while 28% were women. These individuals answered some questions at a household level (i.e., questions pertaining to income, etc.) while others answered for each individual within the household (i.e., questions relating to education levels). The remainder of this RAP distinguishes accordingly between PAHs and PAPs as the unit of reference.

The information collected during the fieldwork campaigns noted above has played a critical role in informing this RAP’s approach to compensation and livelihoods restoration by providing a detailed understanding of the context in which the UAHEP resettlement is to occur. As shown in **Table 2-1** above, this quantitative data has been triangulated and contextualized by the Project team both during the survey process itself as well as during focus groups held during field visits and community consultations (the details of which are presented in Chapter 4).

The socioeconomic survey was conducted among 289 of the 335 PAHs, or approximately 86% of the entire resettlement-affected population. The individual socioeconomic survey data is available in the database maintained by UAHEL.

<sup>8</sup> These focus group discussions and interviews were not limited to the population subject to voluntary resettlement, but rather targeted a broader range of stakeholders from within the Project area as part of the ESIA and other consultative processes (see Chapter 4 and Project ESIA for more details).

<sup>9</sup> This was done through the use of a local subcontractor to ERM – ADCMC Engineering Pvt. Ltd. (‘ADMC’)

<sup>10</sup> The socioeconomic census and land and asset survey included all land owners and land users (including land users on ‘absentee’ land owners’ parcels). Users of public lands are those who make use of community forests to collect NTFP (see Project ESIA – Chapter 6.3, as well as Chapter 2 below for additional details).

<sup>11</sup> The Project also carried out a socioeconomic census amongst a broader sample of the Project-affected population for the social baseline chapter in the Project ESIA. This census covered households in the Project Direct Impact Area and *did not* include those who were already surveyed for this RAP. See Project ESIA (Chapter 7.3) for more details.

## 2.2 Overview of Affected Population

The following sections present a summary of the socioeconomic characteristics of the households subject to resettlement. The statistical data presented below was extracted from the socioeconomic census referred to above, which has allowed the Project to identify the population affected by the Project's land acquisition and resettlement activities and to better understand their characteristics. **Table 2-2** describes the Project-affected population divided by affected village and type of displacement. Again, it is important to reiterate that references to 'physically displaced' PAHs are meant to highlight the *primary* affect that the Project will have upon these households (i.e. loss of residence), not to imply that they are not also suffering economic displacement (as are all households affected by the Project).

**Table 2-2: Physically and Economically Displaced Households by Village of Origin<sup>12</sup> and Displacement Type**

Village	Physical Displacement (# of PAHs)	Physical Displacement (# of PAPs)	Economic Displacement (# of PAHs)	Economic Displacement (# of PAPs)	Total PAHs	Total PAPs	Absent HHs*
Chepuwa	1	6	125	624	126	630	29
Chongrak	5	21	8	35	13	56	2
Adima	0	0	1	2	1	2	0
Gola	0	0	4	22	4	22	0
Hema	3	18	10	51	13	69	2
Jijinkha	0	0	3	22	3	22	0
Limbutar	6	24	4	21	10	45	0
Namase	0	0	68	331	68	331	7
Rapsa	0	0	2	26	2	26	0
Rukma	0	0	15	98	15	98	1
Sibrun	7	40	58	302	65	342	5
Syaksila	0	0	15	80	15	80	0
<b>TOTAL</b>	<b>22</b>	<b>109</b>	<b>313</b>	<b>1614</b>	<b>335</b>	<b>1723</b>	<b>46</b>

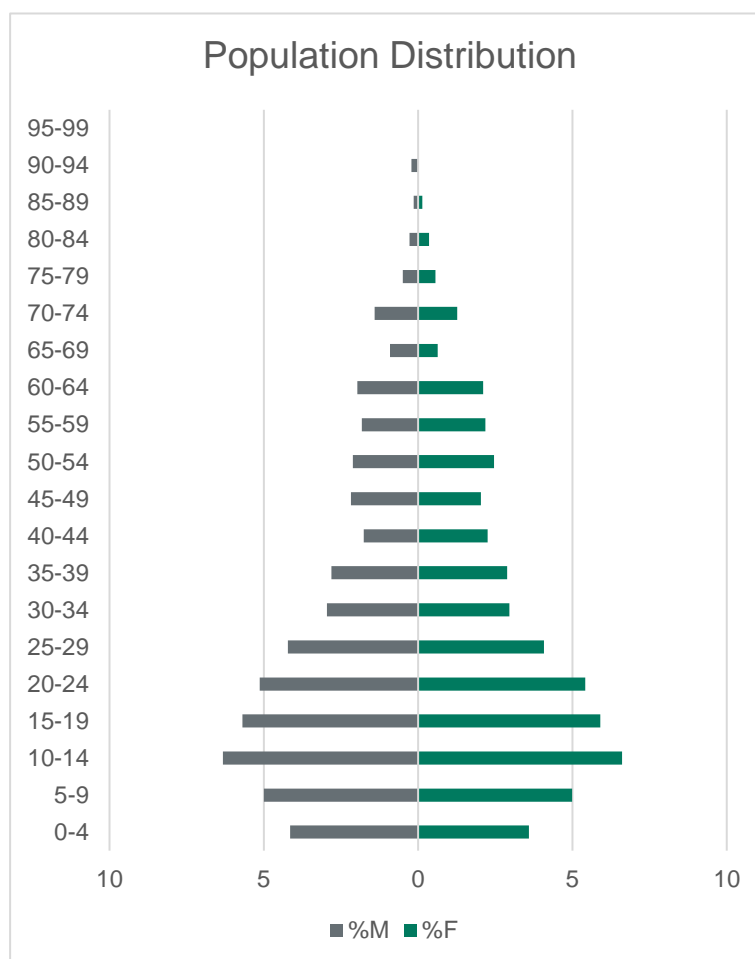
\* PAHs already accounted for in the 'total economic displacement' column.

As **Table 2-2** shows, the Project has identified a total of 109 people (living in 22 households) constituting the physically displaced population and an additional 1614 people (living in 313 households) that will be economically displaced. It is important to note, however, that for the 46 PAHs subject to economic displacement that were not present on their lands during any of the rounds of socioeconomic. Of these 46 absentee households, a majority (29) are located in Chepuwa.

<sup>12</sup> Given that many PAHs owns parcels in multiple villages, it is not possible to associate PAHs with a single village affected by economic displacement; therefore, while the 'physical displacement' column refers to the village in which the affected PAH physically lives, the economic displacement column refers to the village of owner's origin (i.e. the village with which they identify – often this is where they physically reside, despite owning lands elsewhere). This explains why there are more 'affected' villages in this table than there are in Table 4-4, which refers to the physical location of the parcels to be acquired. Put differently, PAHs who originate in 12 different villages are losing lands, but those lands they are losing are physically located in only the nine villages indicated in Table 4-4. For the 46 PAHs that the Project could not include in the socioeconomic survey, the Project determined the village of origin of the landowner through conversations with neighbors and / or family members in the area. The Project will continue trying to make contact with these landowners through visits to the field, conversations with neighbors and local authorities to attempt to locate, and socialization of the RAP.

## Population Demographics and Household Size

The Project-affected population demonstrates a population distribution typical of a low-income country, with 15.5% of the male and 15% of the female population being children (under 14 years of age) and only 5.4% of the male and 5.1% of the female population over the age of 60. The majority (approximately 60%) of the combined male and female population is under the age of 29.



**Figure 2-1: Population Distribution for PAHs**

As shown in **Table 2-3**, the majority (58%) of households have five to eight household members living in the same house, while 28% have more than seven members, and a much lower percentage (8%) have one to two household members. It is noteworthy that the average per capita income increases with number of household members up to a certain point (five to six members) but then drops off precipitously for households with more than seven members, suggesting a high number of dependents (elderly and / or children) in the latter. The average household size amongst the PAHs is therefore 6.1 people per household.

**Table 2-3: Average Annual Income per Capita by Household Composition**

Household Composition	Number of PAHs	Percentage of PAHs	Average Annual Income / Capita (NRP)
1-2 Members	19	8%	131,170
3-4 Members	45	19%	112,273
5-6 Members	85	36%	157,546



7-8 Members	51	22%	59,058
9+ Members	37	16%	64,109

### 2.2.1 Education

Literacy levels for the Project-affected households are, on average, similar to those at the national level (2018 figures).<sup>13</sup> In addition, there is a significant gap in literacy levels between males and females, which is also observed in the country-wide data: 60% Project-affected females are literate (national level female literacy is 59.8%) compared to 78% of Project-affected men (national level male literacy is 78.6%).<sup>14</sup> The gap in educational achievement between men and women is slightly lower than the gap in literacy rates, although at all levels of educational men have higher completion rates than do women. This is most pronounced at the higher secondary level, with 21% of men having achieved this educational level compared to only 13% of women (see **Table 2-4**).

<sup>13</sup> UNESCO, retrieved June 20, 2020 from <http://uis.unesco.org/en/country/NP>. Note: because of how age groupings were done in the Project's socioeconomic survey, national level averages consider the population 15 years and above, while Project-level averages consider the population 14 years and above. However, the averages should nevertheless be proximate.

<sup>14</sup> The socioeconomic survey was designed in such a way that literacy rates could not be directly ascertained as respondents had the option of listing 'literate' *or* indicating an educational level of achievement. Therefore, this RAP assumes that those who chose 'literate' as a response instead of indicating a level of education mean to imply they are literate despite having no formal education. This RAP also assumes that all of those who reported having finished at least primary school are also literate (assuming that one obtains at least a basic level of literacy having done so) and thus calculated the overall literacy rate accordingly.

**Table 2-4: Adult Educational Attainment by Gender**

Adult Educational Attainment by Gender	# of Adult Males	% of Adult Males	# of Adult Females	% of Adult Females
Illiterate (cannot read and write)	108	22	200	40
Literate (can read and write), but no formal schooling	65	14	68	14
Primary or lower secondary education	99	21	83	17
Secondary education complete	82	17	70	14
Higher Secondary	103	21	64	13
Above higher Secondary	24	5	16	3
Total <sup>15</sup>	481	100	501	100

### 2.2.2 *Income.*

As shown in **Table 2-5**, both the average and median per capita income levels are well above the national poverty line of 19,261 NPR / capita / year.<sup>16</sup> However, these figures are slightly skewed by three households with extremely high incomes (over 1,000,000 NPR / capita / year). Without these three households, the average income of the PAHs is nevertheless still 82,107 NPR / capita / year. However, despite the relatively high average and median income levels, 20.7% of the PAHs (49 / 237) are below the national poverty line. This not only suggests a high level of income inequality amongst the PAHs (explored further below), but also a rate of poverty that is slightly higher than the national average of 15%.<sup>17</sup>

**Table 2-5: Average and Median Income, Household and Per Capita**

Income	Household Income (NPR)	Per capita Income (NPR)
Average	\$ 6,21,646	\$ 1,11,054
Median	\$ 2,67,000	\$ 49,500

Indeed, as **Table 2-6** shows, income inequality is marked amongst the PAHs, with the poorest 20% of PAHs (first quintile) accounting for a mere 2% of the total income earned amongst all PAHs. Meanwhile the wealthiest 20% of the PAHs earn 69% of the total income. Similarly, the average income of the poorest quintile of PAHs is 8,721 NPR / capita / year (45% below the poverty line) while the richest earn 381,989 on average, almost 20 times higher than the poverty line.<sup>18</sup> This dynamic is demonstrated graphically as a Lorenz Curve in **Figure 2-2**. In this figure, the straight, gold line represents what income equality would look like, while the extent to which blue curve sags below the gold line indicates the degree of inequality of income distribution amongst the sample population.

<sup>15</sup> Only 982 adult PAPs answered this census question.

<sup>16</sup> Asian Development Bank, 2017, available at: <https://www.adb.org/sites/default/files/linked-documents/cps-nep-2013-2017-pa-detailed.pdf>

<sup>17</sup> <http://uis.unesco.org/en/country/NP>

<sup>18</sup> It is interesting to note that, of the PAHs in the bottom two income quintiles combined, 37% are from Chepuwa (which represents 39% of the total population affected by economic displacement) and 15% are from Namase (which represents 20% of the population affected by economic displacement), 14% are from Siburun (which represents 19% of the population affected by economic displacement). This suggests that the percentage of PAHs in the bottom two quintiles is relatively equal to the proportion of the population that they constitute. Ethnically, 71% of the PAHs in the bottom two quintiles are Bhote, which is proportionate to the 76% of the affected population they constitute. Similarly, Tamang households make up 10% of the bottom two income quintiles and represent 12% of the total affected population. No Dalits are in the bottom two quintiles.

**Table 2-6: PAHs' Self-Evaluation of Financial Condition**

Self-Evaluation of Financial Condition	# of PAHs	% of PAHs
1= money suffices for everything, we can afford whatever we want	0	0
2= money suffices both for food and clothing and we can even save some	101	43
3= money suffices both for food and clothing requirements but we aren't able to save anything	36	15
4= money suffices only for minimum food and clothing requirements	27	11
5= we are struggling to put three basic meals on the table per day	65	27
No Answer	8	3

### 2.2.3 Local Economy / Livelihoods

As shown in **Table 2-7** below, PAHs tend to engage in a number of different income-earning activities simultaneously. Within the agricultural realm, 81% of PAHs reported earning income from crops, 50% from livestock, and 16% from the sale of herbal / medicinal plants. Overall, 61% of PAHs reported earning most of their income from land-based / agricultural sources. The most common non-agricultural livelihoods reported by PAHs were short-term employment (39%), pensions / allowances (31%), owning a business (22%), and permanent wage employment (19%). A total of 39% of PAHs therefore derived the majority of their income from non-agricultural sources.

**Table 2-7: Primary Sources of Income, Agricultural vs. Non-Agricultural**

	# of PAHs who Derive Income from this Source	% of PAHs who Derive Income from this Source	# of PAHs who Derive Majority of Income: Agricultural vs Non-Agricultural <sup>19</sup>	% of PAHs who Derive Majority of Income: Agricultural vs Non-Agricultural
<b>Agricultural</b>				
Income from sale of herbal / medicinal plants	39	16	140	61
Income from crops	191	81 <sup>20</sup>		
Income from livestock	118	50		
<b>Non-Agricultural</b>				
Permanent wage employment	45	19	89	39
Short term employment	92	39		
Own business	51	22		
Rent	8	3		
Interest	18	8		

<sup>19</sup> The total PAHs reporting income in the original round of the socioeconomic census (covering 237 PAHs) was 229 (therefore eight PAHs are not included in this calculation).

<sup>20</sup> The percentage of PAHs reporting income from crops here in Table 2-8 (81%) is higher than the percentage of PAHs (78%) reporting any particular crop type in Table 2-9. This may be because some PAHs constituting the 81% mentioned in Table 2-8 earn income from crops that were not included in the list of crops included in the census questions (as represented in Table 2-9).

Self-employment	12	5		
Remittances	14	6		
Support from relatives	10	4		
Pensions/allowances	73	31		
Sale of property	1	<1		
Money borrowing	7	3		

**Table 2-8** shows the distribution of agricultural versus non-agricultural income by village. This shows that PAHs in the majority of villages make income from both agricultural and non-agricultural sources (albeit with a strong bias towards the former in almost all cases).

**Table 2-8: Income Source (Agricultural vs. non-Agricultural) by Village of Origin**

Village of Origin	% PAH with Agricultural income	% PAH with Non-Agricultural income
Chepuwa	82	81
Chongrak	88	88
Adima	100	50
Gola	100	100
Hema	100	75
Jijinkha	75	75
Limbutar	83	83
Namase	96	74
Rapsa	86	86
Rukma	100	92
Syaksila	93	87
Sibrun	94	81

**Table 2-9** shows the dominant crops grown by PAHs as reported by PAHs during the socioeconomic census. The most popular type of crop is overwhelmingly cardamom (55% of PAHs), followed in much smaller quantities by maize (6% of PAHs), millet (4%), potato (4%), and green vegetables (4%). in much smaller quantities. **Table 2-9** also shows the average income earned (as percentage of total income) from each crop type, amongst those who earn income from that crop. As a percentage of total income earned, pulse is the highest, representing 78% of the total income earned by the one PAH who earns income from pulse, followed by maize at 54% and cardamom at 45% of total income earned amongst those PAHs who earn income from these crops.

**Table 2-9: Type of Crop and Average Income Earned**

Crop Type	# of PAHs	% of PAHs	Average % of Average Total Income
Paddy	5	2	5
Maize	14	6	54
Wheat	1	0	43

Millet	10	4	5
Buck wheat	1	0	19
Barley	2	1	20
Potato	9	4	12
Pulse	1	0	78
Cardamom	130	55	45
Oil crops	1	0	15
All green vegetables	9	4	37
Fruits	2	1	<1

**Table 2-10: Cardamom Crop Area, by Village of Parcel Location<sup>21</sup>**

Village	Cardamom Crop Area (m <sup>2</sup> )	Cardamom Crop Area (ha)	% of total Cardamom Crop Area
Chepuwa	12573	1.3	2.30
Chongrak	4683	0.5	0.86
Hema	13511	1.4	2.47
Jijinkha	111505	11.2	20.39
Limbutar	20556	2.1	3.76
Namase	138011	13.8	25.24
Rapsa	1690	0.2	0.31
Rukma	114052.3	11.4	20.86
Sibrun	130227	13.0	23.82
<b>TOTAL</b>	<b>546,808.3</b>	<b>54.7</b>	<b>100.00</b>

Cardamom is arguably the most important and lucrative crop in the region, and for households affected by displacement. As shown in **Table 2-10** above, the villages of Jijinkha, Namase, Rukma, and Sibrun are each responsible for between 20-25% of the total cardamom crop area affected by the Project, with the remaining amount being divided amongst the remaining villages. This is relevant in terms of resettlement strategies addressed in Chapter 6, as the Project will need to find suitable (i.e. capable of supporting cardamom crops) replacement land for these PAHs should they choose to accept replacement land as an option.

As shown in **Table 2-11**, the most popular type of livestock kept by PAHs were poultry (32%), goats (21%) and pigs (15%). The importance of each type of livestock to the PAHs that raise them (expressed as a percentage of the PAHs' total income derived from a particular type of livestock) also varies considerably by livestock type. **Table 2-11** shows that poultry constitute a relatively small percentage of PAHs' total income (an average of 6% of total PAH income, amongst those with income from poultry) but that a relatively high number of PAHs (32%) earn income from this source. On the other end of the spectrum, sheep are very important as a percentage of PAH income (they constitute an average of 56% of total income for those who keep sheep), but only a small percentage of PAHs keep sheep (1%).

<sup>21</sup> Please note that this information is drawn from the land and asset survey (full dataset, as of March 2021) rather than the socioeconomic census information upon which the vast majority of this baseline chapter is based. This is because the land and asset survey represents the most accurate calculation of cardamom crops.

**Table 2-11: Type of Livestock and Average Income Earned**

Livestock Type	# of PAHs	% of PAHs	Average % of Total Income
Bullock	16	7	13
Cow	6	3	20
Cow Milk	1	0	1
Poultry	76	32	6
Eggs	9	4	0.3
Goat	50	21	9
Pig	36	15	8
Sheep	3	1	56

### 2.2.4 Gender and the Role of Women

Males and females tend to be fairly evenly spread across income-generating occupations; however, there are some exceptions. More women say they engage in agricultural production than men (49% of females compared to 40% of males) while more men cite services as an occupation (twice as many males as females earn income from the service industry) (see **Table 2-12**). Females are, however, more represented within non-remunerated occupations, due primarily to the inclusion of 'housewife' (24 out of the 27 non-remunerated PAPs) under this category. These non-remunerated activities, including tending to children and elderly family members while others work, are nonetheless essential for the household economy.

**Table 2-12: Occupation by Gender**

Occupation by Gender	# of Males	% of Males	# of Females	% of Females
Agriculture	175	40	228	49
Services	44	10	23	5
Trade	37	9	29	6
Physical Labour	16	4	7	2
Foreign Work	17	4	10	2
Student	143	33	139	30
Non-remunerated <sup>22</sup>	2	0	27	5
Total	434	100	463	100

In FGDs and KIIs, women reported being responsible for housework including cooking, fetching water, washing clothes, caring for children and elders, collecting fuel wood and fodder, and caring for domestic livestock.<sup>23</sup> Women reported spending up to 95% of their time doing such unpaid housework, whereas men as boys reported spending only 5% of their time on household tasks. Although the results of the socioeconomic survey indicated that 40% of men are involved in agricultural work (compared to 49% of females), FGDs and KIIs revealed that women are responsible for approximately 85% of the agricultural

<sup>22</sup> This includes categories such as 'housewife', 'aging', and 'disabled'.

<sup>23</sup> These particular FGD / KII conclusions are taken from the broader Project-affected population that was consulted as part of the ESIA, as RAP-specific community consultations did not cover basic sociodemographic details; however, the Project has no reason to believe that the gender profile of those women affected by displacement would be significantly different than that of women in the Project area more generally.



work of the household, including preparation of the nursery (biyad rakhne), crop planting, weeding, harvesting, storing, and marketing. Men and boys, on the other hand, contribute to approximately 15% of the household agricultural work, primarily ploughing and other heavy work.

Of the PAHs included in the census, 29 (12%) self-identified as female-headed households (FHHs).<sup>24</sup> Due to one high-earning FHH, the average per capita income of these FHH is well above the average for all PAHs (1,52,080 NPR / capita / year for FHHs versus 1,11,054 NPR / capita / year for all PAHs). If one removes this extremely high-income earning statistical outlier, the average for the other 28 FHHs is much lower, at 83,000 NPR / capita / year. If one removes three statistical outliers from the average income calculation for the Project-affected population as whole then the average income for FHHs is slightly higher than the average income for all PAHs (82,107 NPR / capita / year, as demonstrated in Section 2.2.3).<sup>25</sup> This suggests that, on the whole, the incomes of FHH are slightly higher than those of male-headed PAHs.

The breakdown of income sources for FHHs suggests that these households are undertaking a broad variety of income-earning activities simultaneously (**Table 2-13**, below). The most common source of income is 'pension / allowances'<sup>26</sup> (24 FHHs), followed by agriculture (19 FHHs) and livestock (11 FHHs). Nine FHHs each ran their own business or had short-term employment, while a very small remaining number had permanent wage positions or sold herbs/medicinal plants. While a majority (75.9%) of FHHs therefore engaged in agricultural activities, only 16 FHHs (55.2%) earned the majority of their income from these activities, while 13 of the FHHs (44.9%) earned the majority of their income from non-land-based sources.<sup>27</sup> This is a contrast with broader Project trends noted in **Table 2-7** above, wherein 61% of PAHs earned the majority of their income from agricultural activities, while only 39% earned a majority of their income from non-land-based sources. The relative affluence of FHHs affected by the Project is uncommon amongst resettlement projects in low-income countries. However, given the diverse characteristics of FHH amongst the surveyed population, it was not possible to identify any notable trend indicating why the FHHs affected by this Project would be atypically wealthy (compared to other Project situations). It is therefore reasonable to assume that the small number of FHHs plays an important role in the average income, as outliers are able to pull the average up much more than they would with a larger, statistically significant sample size.

**Table 2-13: Income Sources for Female Headed Households**

Income Source	# FHH Earning Income from Source
Sale of herbs/medicines	3
Livestock	11
Crops	19
Permanent wage positions	2
Short-term employment	9
Own business	9
Pension / Allowances	24

<sup>24</sup> "Gender of household head" was a specific socioeconomic census question to which each PAH responded. There is therefore no set definition of what constitutes a FHH in the context of this RAP; rather, PAHs self-identified as such.

<sup>25</sup> The three extremely high-income FHHs are located in Gola (two) and Namase (one), all report high income from owning their own businesses, and two report also having permanent wage employment.

<sup>26</sup> The survey data did not specify the source of pension / allowances; however, their uniform nature (i.e., either 12 000, 24 000 or 36 000 NPR) suggests that these are standard payments from the government, potentially for childcare.

<sup>27</sup> Two FHHs reported their income-earning activities, but not their income.

## 2.2.5 Housing and Settlement Patterns

### 2.2.5.1 Housing

Access to electricity amongst PAPs is closely tied to income levels.<sup>28</sup> Approximately 85% of PAHs have electric lighting in their household, with the median income of those without electricity being less than half the median income of those with electricity (**Table 2-14**). Unsurprisingly, 21 of the 43 (approximately 50%) of the PAHs who do not have electricity report average per capita annual income below the poverty line. In terms of hygiene, the vast majority (91%) of PAHs have an 'improved' toilet in their compound, while the remaining 9% of PAHs use a pit latrine within their compound. No PAHs use a public toilet or the forest as their main toilet source.

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<sup>28</sup> Access to electricity is also influenced by proximity to mini- and micro-hydro plants – this dynamic is discussed in the UAHEP ESIA (Chapter 6.3 - Socioeconomic Baseline).

**Table 2-14: Access to Electricity**

Access to Electricity	Annual Income (NPR)
Average per capita income of PAH with no access to electricity (NPR)	\$ 45,314
Median per capita income of PAH with no electricity (NPR)	\$ 21,750
Average per capita income of HH with electricity (NPR)	\$ 125,626
Median per capita income of HH with no electricity (NPR)	\$ 54,238

As it relates to housing standards, the majority of houses owned or occupied by PAHs had floors made of either stone / mud (38%) or wood (59%), with a mere 1% having cement floors (**Table 2-15**). Trends in materials used for walling were even less disperse, with 86% of PAHs having stone / mud walls, and only 9% reporting use of wood walling (**Table 2-16**). Finally, the number of stories of PAHs' houses was almost evenly split between one- and two-story houses (43% and 49% respectively), while only six PAHs reported owning three-story houses (**Table 2-17**).

**Table 2-15: Housing Materials – Flooring**

Primary Material – Floors	# of PAHs	% of Total PAHs
1= stone/mud	89	38
2= wood	140	59
3= cement	2	1
4= other	0	0
No Answer	6	3

**Table 2-16: Housing Materials - Walls**

Primary Material – Walls	# of PAHs	% of Total PAHs
1= stone/mud	204	86
2= wood	21	9
3= cement	1	0
4= zinc sheet	1	0
5= bamboo	3	1
6= others	0	0
No Answer	7	3

**Table 2-17: Housing - Number of Stories**

Number of Stories	# of PAHs	% of Total PAHs
1	103	43
2	117	49
3	6	3
No Answer	11	5

### 2.2.5.2 Settlement Patterns

The majority of PAHs (86%) have been living in their current village for three or more generations (**Table 2-18**). Only 14% of PAHs therefore are relative newcomers (i.e., came less than two generations ago) to the Project-affected villages. Despite the length of time that PAHs have been living in the Project Area, FGDs and KIIs suggested that a majority of PAHs intend to opt for cash compensation rather than replacement land within their villages or the surrounding area. Thus, the Project will have to carefully consider the implications of these preferences in terms of disruption of PAHs' social-cultural networks

**Table 2-18: PAHs Duration of Living in Current Villages**

Arrival in Area	# of PAHs	% of Total PAHs
More than three generations ago	178	75
Three generations ago	25	11
Two generations ago	13	6
One generation ago or less	20	8

### 2.2.6 Religion and Ethnicity

As shown in **Table 2-19**, the majority (90%) of the PAHs reported following the Buddhist religion, with a much smaller percentage (5%) stating Christian affiliation. Only 5% adhere to Hinduism, divided equally between the villages of Sibrun and Limbutar, while less than one percent listed Kirat as their household religion. The one PAH associated with Adima did not respond to this question, or to the below question pertaining to ethnicity.

**Table 2-19: Religiosity amongst Project-Affected Communities**

Community	Number of PAHs Following each Religion						TOTAL
	Buddhist	Hindu	Prakiri Pujak	Christian	Kirat	Others	
Chepuwa	69	0	0	4	0	0	73
Sibrun	40	5	0	1	0	0	46
Rukma	10	0	0	2	0	0	12
Lingam	1	0	0	1	0	0	2
Namase	42	0	0	0	0	0	42
Hema	11	0	0	0	0	0	11
Rapsa	7	0	0	0	0	0	7
Jijinkha	4	0	0	0	0	0	4
Chongrak	2	0	0	2	1	0	5
Syaksila	13	0	0	0	0	0	13
Limbutar	0	5	0	0	1	0	6
Adima	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>199</b>	<b>10</b>	<b>0</b>	<b>10</b>	<b>2</b>	<b>0</b>	<b>221</b>

Community	Number of PAHs Following each Religion						
	Buddhist	Hindu	Prakiri Pujak	Christian	Kirat	Others	TOTAL
Percentage	90	5	0	5	1	0	

Ethnically, the PAHs are somewhat more dispersed, although still an overwhelming majority (76%) are Bhote, with a smaller amount (12%) being Tamang (**Table 2-20**). Some villages are very ethnically homogenous (for example, Chepuwa, Rukma, Namase, and Syaksila), while others are somewhat more ethnically diverse (Sibrun in particular).

**Table 2-20: Ethnicity amongst Project-Affected Communities**

Community by Ethnicity	Bhote	Tamang	Sherpa	Rai	Limbu	Dalit	Other	TOTAL
Chepuwa	73	0	0	0	0	0	0	73
Sibrun	23	11	0	0	2	3	7	46
Rukma	12	0	0	0	0	0	0	12
Lingam	1	0	0	1	0	0	0	2
Namase	42	0	0	0	0	0	0	42
Hema	0	11	0	0	0	0	0	11
Rapsa	1	6	0	0	0	0	0	7
Jijinkha	2	0	1	0	0	0	1	4
Chongrak	0	0	0	3	0	0	2	5
Syaksila	13	0	0	0	0	0	0	13
Limbutar	0	0	0	5	0	0	1	6
Adima	-	-	-	-	-	-	-	-
<b>Total</b>	<b>167</b>	<b>28</b>	<b>1</b>	<b>9</b>	<b>2</b>	<b>3</b>	<b>11</b>	<b>221</b>
<b>Percentage</b>	<b>76</b>	<b>12</b>	<b>0</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>5</b>	

### 2.2.7 Physical Infrastructure

There are no communal buildings, health facilities or places of worship on the lands to be acquired; however, there is one primary school located in Sibrun, a village in which 51 primary-school aged students reside, which will be indirectly affected by nearby land acquisition (see Chapter 3 for details), and a second school in Rukma that, although not on land to be acquired, will be affected by the Project (see Project ESIA, Chapter 7.1). As proposed in the ESIA, the Rukma Basic School will be relocated in appropriate area in consultation with Rukma community.

Of the PAHs who reported having access to primary schools, 97% stated that the nearest primary school was a walk of less than 0.5 hours from their home (**Table 2-21**). Travel time to secondary schools was somewhat longer, with 40.9% of PAHs having less than 0.5 hours walk to arrive at school, 25.4% having a walk between 0.5 hours and one hour, and 33.3% having to walk over an hour to the nearest secondary school.

**Table 2-21: Access to Schools and Walking Distance**

# PAHs with Access to Schools	<0.5 Hour Walk	0.5-1 Hour Walk	>1 Hour Walk
Primary school	219	5	1
Secondary school	74	46	61

### 2.2.8 Social Infrastructure

During FGDs and KIIs held for the broader Project ESIA, community members identified three key traditional social institutions:<sup>29</sup>

- Parma - a traditional institution through which households exchange labor;
- Kiduk - through which households do reciprocal exchange and economic support in death and marriage rituals; and
- Gaun Samaj – a village level committee formed every two or three years, the members of which are elected by the community. Gaun Samaj plays a major role in conflict resolution and community development work.

Apart from these traditional social institutions, the households surveyed are also members of some more modern institutions such as community forest user groups (CFUGs), mothers' groups, youth groups, and other religious-cultural organizations. As expressed by participants in the FGDs and KIIs, these networks of modern institutions are potential forums for community engagement and partnership building within and between villages, and therefore play an important role in village life. For example, youth clubs are potential forums to engage in employment and skills development programs, while mothers' groups can serve as a base for women-focused awareness campaigns. CFUGs, for their part, facilitate households' ability to work collectively towards forest conservation and enhanced household income from forest products. Clusters of households within Project-affected villages tend to form a closely-knit community, sharing a shrine and a reciprocal system of working on each other's farmland, facilitated by joint participation in the other social institutions noted above. Mitigation of and compensation for impacts of the Project on these social institutions are presented in Chapter 6 (Entitlement and Compensation Matrix) and Chapter 7 (Livelihoods Restoration Plan).

### 2.2.9 Access to Drinking Water

Eighty-one percent (81%) of Households have access to drinking water; via a piped household water supply, and a combined 16% obtain water from rivers or springs. This means that 100% of PAHs have access to drinking water daily. Ninety-six percent (96%) spend less than 0.5 hours per day collecting water, while only one PAH (<1% of total) reported water collection time of more than three hours (eight PAHs did not respond). While females tended to collect water more often than males (11% versus 2% respectively), the dominant trend for most PAHs (83% of respondents) was for both males and females to collect water equally (**Table 2-22**).

<sup>29</sup> Information pertaining to social infrastructure amongst the Project-affected population is drawn from the Project ESIA (Chapter 6.3) as the FGDs and KIIs and other information gathered therein offer the most accurate depiction of social infrastructure in the Project-area. These institutions were not specifically mentioned amongst the population affected by displacement, but it is reasonable to assume that they also characterise social relations amongst the displaced population. The impacts of displacement on these institutions and the potential mitigation mechanisms will depend on the resettlement choices that individual PAHs make (see Section 7.2). This will be discussed in further detail with displaced PAHs during individual negotiations where PAHs will make their resettlement interests and preferences known.



**Table 2-22: Water Collection by Gender**

Water Collection by Gender	# of PAHs	% of PAHs
Males	5	2
Females	26	11
Both	196	83
Did not respond	10	4

### 2.2.10 Vulnerability

As mentioned previously, vulnerability arising from or potentially exacerbated by the resettlement process is discussed at greater length in Chapter 8, including proposed measures to monitor and address such vulnerability. This subsection provides a brief overview of vulnerability amongst the PAHs. These results are preliminary and are intended to be demonstrative from a socioeconomic perspective; the full vulnerability methodology is presented in Chapter 8.

Chapter 8 defines two groups of vulnerabilities. The first is 'Group 1' vulnerability indicators, which are based on specific markers (proxy indicators) of potential existing conditions of vulnerability. These indicators are used to determine households or individuals in need of special attention during and after the resettlement process, thus qualifying them for participation in the Assistance to Vulnerable Households (AVH) programme discussed in Chapter 8. These Group 1 indicators include the presence of the following household members: elderly people (especially those lacking adequate extended family support); FHHs; persons or households who lack of any potential source of income and / or are in a condition of poverty; households with children lacking adequate support; socially marginalized groups (i.e., Dalits), and; disabled persons (particularly those without employable skills or suffering from chronic health conditions).<sup>30</sup> It is important to note that these conditions of vulnerability are not mutually exclusive; that is, households can have multiple conditions of vulnerability simultaneously. This dynamic is described further in Chapter 8.

Similarly, those with Group 1 vulnerabilities can also have 'Group 2' vulnerabilities, which refer to conditions of vulnerability that might arise as a *result* of resettlement. These forms of vulnerability include physically displaced PAHs with no alternative residences and economically displaced PAHs with no alternative productive lands. The existence of these Group 2 vulnerability indicators adds an additional layer of complexity to the assessment and accommodation of potentially vulnerable PAHs. However, the Project expects that the application of the various provisions and programmes included in the Compensation and Restoration Framework and the AHV programme will significantly reduce (or at least avoid exacerbating) many of the pre-existing conditions of vulnerability identified above while also avoiding the emergence of new forms of vulnerability as a result of resettlement.

Other vulnerabilities to which the Project will have to pay attention when negotiating individual compensation and livelihoods / allowances agreements are outlined in the Project ESIA (Chapter 6.4). These include groups that are more susceptible to the adverse effects of community dislocation (such as the elderly, single-person households, people with disabilities) and those more reliant on NTFPs and other resources that could be impacted by population influx and other effects outlined in the Project ESIA (specifically Chapter 6.3). The Project will have to ensure that those suffering these forms of vulnerability (to be identified during individual agreement negotiations) are given priority access to the programming identified in Chapter 8 of this document, as well as the Project ESIA.

<sup>30</sup> These conditions of vulnerability will be defined in Chapter 8.

### 3. LEGAL FRAMEWORK, LAND ACQUISITION AND RESETTLEMENT IMPACTS

This chapter discusses the Nepal legal and regulatory context relevant to land acquisition and resettlement. It also compares these national laws and regulations to the land acquisition standards set out in the World Bank's ESS5, and describes how the Project will adhere to them.

#### 3.1 Nepal Legal Requirements

There are a number of Nepal laws and regulations governing the land acquisition and other processes outlined in this RAP. The most pertinent of these are described below in **Table 3-1**, along with a brief description of their applicability to the Project.

**Table 3-1: Relevant National Laws Governing Resettlement and Land Acquisition in Nepal**

Regulation / Standard	Description and Key Provisions	Applicability to the Project
GENERAL NATIONAL LEGISLATION		
Constitution of Nepal (2015)	<p>Grants every citizen the right to acquire, own, sell and otherwise dispose of property.</p> <p>Calls for the elimination of feudalism and prohibits forced labour and the exploitation of people on the basis of custom, tradition, or usage.</p> <p>Article 25(2) states that except for social welfare, the state will not acquire or exercise authority over individual property.</p> <p>Article 25(3) states that when the state acquires or establishes its right over private property, the state will compensate for loss of property and the basis and procedure for such compensation will be specified under relevant laws.</p> <p>Article 27 of the Constitution states that all citizens have the right to demand or receive information on any matter of his or her interest or of public interest, except for information that has to be kept confidential in accordance with the laws.</p> <p>Article 51, Sub article J (8) requires obtaining consent of Indigenous Nationalities while making any decisions concerning these people.</p>	<p>The rights to be defined under the entitlement framework for the RAP (including any private negotiations) will not contradict those under the Constitution of Nepal.</p> <p>.</p>
Land Use Policy (2015)	<p>This Policy envisions optimum use of the available land based on its capability for sustainable social, economic, and environmental development. The goal of the policy is to:</p> <ul style="list-style-type: none"> <li>■ Classify land according to its capability for optimum use;</li> <li>■ Manage land fragmentation and urbanization;</li> <li>■ Balance development with the environment; and</li> <li>■ Conserve geographic, cultural, religious, historical, and touristic areas.</li> </ul>	<p>This Policy is applicable to the Project because the Project will affect land use and must take into consideration and mitigate to the extent possible land fragmentation.</p>

Regulation / Standard	Description and Key Provisions	Applicability to the Project
Land Use Act (2019)	<p>This act is classified land into 10 categories: agricultural; residential; commercial; industrial; mining and mineral; forest; river, stream, pond and wetland; public use; cultural and archaeological; and others. The land classification is based on the composition and use of the land. The classification has not clearly pinpointed Guthi land, which is religious land in the name of temples or shrines, from the revenue of which the religious ceremonies or festivals associated with the temples or shrines are celebrated and the repairs and maintenance of the temples or shrines are carried out.</p> <p>This act is introduced based on the condition of land, population growth, requirements of land for various purposes, such as food and habitation and the need for economic development and infrastructure building among others. The main aim of the act is to ensure that land is properly used and managed and that land set aside for one purpose is not used for another. The provincial and local governments are also required to formulate their own land use laws based on the act.</p>	This act is applicable to the Project because the Project will involve change of land use type for affected lands.
Land (Survey and Measurement) Act, (1963)	<p>Section 6 sets out provisions related to registration of land. It recognizes ancient land use (without any requirement of supporting evidence of registration or payment of land revenue) except barren land, public land, or land in a forest and grants ownership to such users.</p> <p>Section 8 states that, upon completion of survey and measurements, land ownership registration certificates are provided to concerned landowners.</p>	<p>The act will determine the survey and land registration process that the Project will follow as part of the land acquisition process.</p> <p>Its description of the various types of land as well as the rights of people with various forms of tenure will also inform the Project's approach to determining eligibility for compensation.</p>
Agriculture (New Arrangements) Act (1963) & Land Administration Act (1963)	<p>Combined, these acts:</p> <ul style="list-style-type: none"> <li>Set out the classification of land and requirements for land survey and registration; and</li> <li>Establish district-level land administration offices and set out procedures for maintaining land registration records.</li> </ul>	These acts will be applicable for guiding tenure, registration and other formalities during the negotiations between the Company and private land owners or occupants for land purchase and in designing the entitlement framework.
Land Reform Act (1964) and Eighth	<p>This law sets out the key provisions related to payment of land revenue, and establishes ceilings for land allowed to be owned by a person, which are as follows:</p> <p>Private land (earlier known as raikar land) is subject to payment of land revenue. Kipat land, which is</p>	This act will inform the project's approach to replacement land, ensuring that ceilings are not surpassed and all procedures are followed. Given that the

Regulation / Standard	Description and Key Provisions	Applicability to the Project
Amendment (2018)	<p>communally owned land, is also subject to payment of land revenue and can be transferred like raikar land to another entity (Section 3);</p> <p>Any person or his/her family may, as a landowner, own up to the following maximum areas or ceilings in the following areas:</p> <ul style="list-style-type: none"> <li>- All Terai regions including inner Terai: 16 acres or 6.4 ha or 125 ropani;</li> <li>- Kathmandu valley: 3 acres or 1.25 ha or 25 ropani;</li> <li>- All hilly regions except Kathmandu valley: 8.75 acres or 3.5 ha or 70 ropani;</li> </ul> <p>The title to any land in excess of that stated above, if transferred to any other party, will not be recognized by Law.</p> <p>As per the Act, tenants are those people that cultivate land that is obtained on lease. The upper ceiling for tenants will be:</p> <ul style="list-style-type: none"> <li>- Terai region: 4 Bigha</li> <li>- Katmandu Valley: 10 Ropani</li> <li>- All hilly regions except Katmandu Valley: 20 Ropani</li> </ul> <p>The excess land that is acquired under this act may be sold or disposed by the prescribed authority to people living in the same Rural Municipality or Municipality (Section 21). The persons obtaining such excess land are not allowed to sell land until they have paid the arrears and a period of 10 years has passed since obtaining the land (Section 23).</p> <p>The Eighth Amendment includes provisions to allow ownership of land for “landless squatters” and “unmanaged dwellers”.</p>	<p>Project is located in Kathmandu Valley, these ceilings will therefore be 8.75 acres / 3.5 ha / 70 ropani. This act will also guide the Project’s approach to informal land-users.</p>
Land Acquisition Act (1977)	<p>The LAA and its subsequent amendment in 1993 specify procedures for land acquisition and compensation. The Act empowers the Government to acquire any land, upon payment of compensation, for public purposes or for the operation of any development project initiated by government institutions (Sections 3 and 4).</p> <p>Other issues addressed by the LAA include:</p> <p><b>Compensation determination process:</b> For the purpose of determining the compensation amount, a Compensation Determination Committee (CDC) is formed under the chairmanship of the Chief District Officer (CDO). The CDC is formed to undertake the actual verification of land to be acquired, review and fix compensation rate, identify actual</p>	<p>This act will be used as the basis for the Project’s land acquisition process, and will guide its approach in all relevant components.</p> <p>Should the Project need to resort to expropriation (i.e., acquiring the ownership of properties in the public interest and without the consent of the current owner or land right holder, in cases in which negotiations between the project proponent and</p>

Regulation / Standard	Description and Key Provisions	Applicability to the Project
	<p>owners, disburse compensation, and provide necessary administrative support for addressing associated issues. The CDC process begins once the Government of Nepal grants approval for the land acquisition.</p> <p><b>Compensation determination methodology:</b> In determining the compensation amount, the CDC must consider both the losses incurred by persons due to the land acquisition process, as well as the displacement of residences or places of business as a result of said process. The CDC must consider:</p> <p>Price of land prevailing at the time of notification of land acquisition;</p> <p>Price of standing crops and structures; and</p> <p>Any additional damages incurred by PAPs as a result of their being compelled to move residences or places of business as a result of the land acquisition process.</p> <p>Compensation is also to be paid for (a) damages caused as a result of land surveys / asset inventories undertaken as part of the preliminary valuation process; and (b) land and property permanently acquired (including standing crops, trees and houses).</p> <p><b>Compensation type:</b> Compensation is to be paid in cash (i.e., as a lump-sum), although landowners who have lost their entire landholdings may require in-kind land replacement rather than in-cash compensation. This outcome would require joint approval by the PAP and the project proponent, as well as availability of replacement land in nearby areas.</p> <p><b>Expropriation:</b> Should good-faith negotiations with private land owners fail, institutions seeking land acquisition in Nepal are entitled to initiate expropriation proceedings. Expropriation is defined here as the process of acquiring the ownership of properties without the consent of the current owner or land right holder. This is done by soliciting the government to acquire these lands on their behalf, subsequent to the payment of compensation. Key provisions in the LAA concerning expropriation include:</p> <p>Land can be acquired for a public purpose, subject to the award of compensation (Section 3);</p> <p>In case of any complaints, the landowner or tenant (that has built a brick structure on the land) can file the same with the Ministry of Home Affairs (Section 11);</p> <p>Compensation in lieu of land acquired is to be paid in cash (Section 13);</p> <p>If land is acquired wholly, the affected person/family can claim land elsewhere as compensation (Section 14);</p>	<p>private land owners fail), this act will also govern that process (however, see discussion in Section 3.5 concerning FPIC and expropriation).</p> <p>It should be noted that the Land Acquisition Act predates the Constitution of Nepal (2015) and it may be superseded by subsequent legislation the applicability of which will be re-assessed as the case may be.</p>

Regulation / Standard	Description and Key Provisions	Applicability to the Project
	<p>Compensation is determined based on price of land when acquisition notice is give, value of crops, houses, walls, sheds etc. acquired with the land and losses the person will suffer as a result of shifting residence or business (Section 16); and</p> <p>In case the land is a tenancy holding, 50% of the compensation payable for such land shall be obtained by the tenant. If a house is constructed by the tenant with the approval of the landowner, the tenant will receive the entire amount of compensation for such land (Section 20).</p> <p>This act also includes a provision for acquisition of land through negotiations, in which case it would not be necessary to comply with the procedure laid down in this Act when acquiring land (Section 27).</p>	
Land Acquisition, Resettlement and Rehabilitation Policy (2015)	<p>The Government of Nepal promulgated the Land Acquisition, Resettlement and Rehabilitation Policy for the infrastructure project development in 2015.</p> <p>This policy establishes a range of suggested entitlements for those affected by a development project, including:</p> <p>Loss of land: Cash compensation at full market value (equivalent to replacement cost) for all acquired land if the provision of replacement land is not feasible</p> <ul style="list-style-type: none"> <li>- If a person becomes a marginal landholder as a result of land acquisition, they should be provided with replacement land of equivalent productivity or value;</li> </ul> <p>Loss of housing / structures: provision of a replacement house or cash compensation at full replacement cost for the loss of all structures (residential, business and other structures), with no deduction for depreciation or for salvageable materials;</p> <p>Loss of trees / crops: Cash compensation for private trees based on the annual value of the produce for 5 years and cash compensation for loss of standing crops; and</p> <p>Loss of revenue: Cash compensation for loss of income from rented buildings.</p> <p><b>Rehabilitation measures proposed by this policy include:</b></p> <p>Proper resettlement planning, including developed relocation sites with easily accessible amenities;</p> <p>For resettled farming communities, homesteads sites of sufficient size for storage of agricultural produce, keeping of livestock, and for kitchen gardens;</p>	<p>The tenets of this policy – in particular those relating to Indigenous Peoples and other vulnerable groups – will inform the Project’s approach to all components in which special considerations must be made for such groups (including land acquisition compensation, stakeholder engagement, and livelihood restoration).</p> <p>Note: this policy was approved by the Cabinet in 2015, but has not been legislated (as of May 2021). It can nevertheless provide guidance to the Project in the areas indicated above.</p>

Regulation / Standard	Description and Key Provisions	Applicability to the Project
	<p>Employment on the project, where possible, for at least one member of each affected household, with half of the employment opportunities reserved for women; and</p> <p>Additional relocation and rehabilitation support measures, particularly for displaced households, severely affected households, women, and vulnerable people.</p> <p>This policy also requires project proponents to conduct meaningful consultation with affected persons and vulnerable groups, to disclose information on resettlement planning and implementation in a periodic manner, and to establish an appropriate Grievance Redress Mechanism.</p> <p>This policy further demands that project proponents consider, and give preference to, alternative project designs with less environmental and social impacts, and that project proponents consult affected stakeholders regarding these alternatives.</p> <p>This policy also has prescribed the following key provisions for project-affected Indigenous Peoples and vulnerable groups in particular:</p> <p>In cases where people from the opportunity-deprived groups like Dalit, Indigenous, and single women are affected by any infrastructure development project, additional inclusive programs will be formulated to uplift their socioeconomic status;</p> <p>Livelihood restoration plans must retain the living standard of, and provide additional assistance to households 'seriously'<sup>1</sup> affected by the project and the most vulnerable project-affected people, including those belonging to poor, Dalit, or marginalized Indigenous groups, single woman, differently-abled, senior citizens, and / or and with no legal rights to the lands on which they live;</p> <p>Employment opportunities will be provided to the aforementioned seriously affected project-affected households and vulnerable groups based on their skills and capabilities; and</p> <p>Projects must conduct easy, simple, and transparent consultations with project-affected peoples that duly consider the presence of members of aforementioned seriously affected project-affected households and vulnerable groups.</p>	

<sup>1</sup> This RAP considers 'seriously' affected people all those affected by physical and / or economic displacement.



Regulation / Standard	Description and Key Provisions	Applicability to the Project
Right to Information Act (2007)	This act requires all public bodies to make proactive disclosures of certain types of information to respond to information requests. Section 4 of this act elaborates on the responsibility of a public body (UAHEL, in the case of the UAHEP) to disseminate information about the Project in an open and transparent manner, and make it easy for the public to access the information.	Obligations under this act concerning dissemination of information to PAHs will inform the stakeholder engagement and participation component of the RAP.
Good Governance Act (2008)	The Good Governance Act of 2008 has provisions for holding public hearings (Section 30) and also specifies the participation at these hearings such as subject matter experts, stakeholders, and representatives of civil society and officials of the local bodies. Section 31 of the Act requires public bodies to provide a Grievance Management Process, including maintaining a complaint's box to collect grievances.	Obligations under this act concerning dissemination of information to PAHs will inform the stakeholder engagement and participation component of the RAP.
National Land Policy (2019)	This Policy is underpinned by an inclusive agenda that covers the land rights of women and vulnerable groups, including: rehabilitation of the landless, squatters and informal tenure-holders for improved housing; access to land and security of tenure; tenure security for landless peasants for farming; women's access to land ownership; and the optimum use of land for sustainable housing.	Alongside the LAA and aforementioned non-binding policies, the National Land Policy will inform all components of the RAP, including but not limited to the compensation and entitlement matrix, the stakeholder engagement and participation plan, the livelihood restoration approach, as well as Grievance Redress Mechanism and the provisions for assistance for vulnerable peoples.

### **3.1.1 *World Bank's Standards***

In addition to the Nepal laws and policies outlined above, the World Bank's standards will apply to this project since the Government of Nepal is engaged with the World Bank for possible financing of this project.

**Table 3-2: World Bank’s standards Relating to Land Acquisition, Engagement, and Expropriation**

<p>WB ESS 5, as reflected in the RAP, requires projects to do the following:</p> <p>Consider alternative project designs that avoid, or at least minimise, the need for economic/ physical displacement;</p> <p>Avoid forced evictions will be avoided if possible;</p> <p>Mitigate unavoidable adverse social and economic impacts resulting from land acquisition or restrictions on land use by:</p> <ul style="list-style-type: none"> <li>- Providing timely compensation for loss of assets at replacement cost (with a preference for in-kind land-for-land compensation where livelihood economic activities are land-based);</li> <li>- Developing/implementing a Livelihood Restoration Plan to assist PAHs in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.</li> </ul> <p>Develop/implement a SEP;</p> <p>Develop/implement a plan to assist PAHs identified as vulnerable throughout the land acquisition and livelihood restoration process;</p> <p>Conceive of and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant;</p> <p>Reflect issues pertaining to gender equality and social inclusion in the RAP;</p> <p>Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected;</p> <p>Implement a culturally appropriate GRM; and</p> <p>Develop an internal monitoring and external evaluation process, with appropriate indicators.</p>	<p>The Project entails land acquisition that will result in both physical and economic involuntary displacement. Hence, the provisions of WB ESS 5 are applicable to the Project.</p>
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## 3.2 Comparison of National and ESS5 Requirements

**Table 3-3** presents a gap analysis completed between the above-mentioned national regulations and policies (primarily the LAA of 1977, but also other sources of domestic guidance) and the WB ESS as they relate to key aspects of RAP preparation and implementation. The last column of the table identifies the standards the Project will adhere to (in all cases, the more stringent standard has been selected).

**Table 3-3: Comparative Analysis of National and World Bank's Requirements**

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
Participation of affected households / stakeholders	<p>During the land acquisition process, the CDO is the appellate authority. Otherwise, the LAA does not require on-going consultations with affected persons and other stakeholders.</p> <p>The Land Acquisition, Resettlement and Rehabilitation Policy (2015) requires project proponents to conduct meaningful consultation with affected persons and vulnerable groups, to disclose information on resettlement planning and implementation in a periodic manner, and to establish an appropriate grievance mechanism.</p>	<p>WB ESS 1 states that projects, such as resettlement, which will have significant adverse impacts on communities must ensure informed consultation and participation before the start of project activities. Further, this standard provides for:</p> <ol style="list-style-type: none"> <li>1. A more in-depth exchange of information and views;</li> <li>2. An iterative process, incorporating into decision-making community views, including those of men and women; and</li> <li>3. A deeper discussion of/agreement on proposed mitigation measures, benefit-sharing, and implementation modalities.</li> </ol> <p>According to WB ESS 5, projects must ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and the informed participation of those affected.</p> <p>WB ESS 10 also calls for robust stakeholder engagement throughout the</p>	<p>This involves substantive consultation with communities specifically, the PAH/PAPs at all stages of RAP preparation and implementation in a way that is culturally appropriate and agreed-upon with the stakeholders themselves. Pertinent information will also be provided in a timely manner to all stakeholders, and consultations will be conducted in a manner which is free of manipulation, interference, coercion, discrimination, and intimidation. The Project will also ensure that engagement is done at a time and in such a way that facilitates the involvement of vulnerable or marginalized groups (Section 4.3.5 for details in particular on gender provisions in the RAP). Full details on the ESS-aligned engagement approach are outlined in Chapter 4 on stakeholder participation.</p> <p>As also detailed in Chapter 4, stakeholder engagement relating to</p>

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
		project lifecycle, in which projects provide stakeholders with timely, relevant, understandable, and accessible information, and consult with them in a culturally appropriate manner, which is free of manipulation, interference, coercion, discrimination, and intimidation. Further, ESS 10 calls for the creation and dissemination of a stakeholder engagement plan, which will detail the timing and methods of stakeholder engagement throughout the project life cycle. This plan will also identify, and lay out plans to mitigate, obstacles to participation, including amongst those who are disadvantaged or vulnerable.	the UAHEP has already begun, a SEP for ongoing engagement has been developed, and respect for FPIC is guiding interactions with Indigenous Peoples.
Grievance Resolution Mechanism (GRM)	<p>According to the LAA's (1977) expropriation provisions, PAHs subject to expropriation may approach the CDO and/or the Ministry of Home Affairs within a defined period to launch their complaint.</p> <p>Under Section 25.7 of the LAA (1977), appeals against the compensation offered for acquired land may also be directly filed with the Ministry of Home Affairs. However, only legally registered land owners and tenants are eligible to register such grievances.</p>	<p>WB ESS 1 states that projects must ensure the effective functioning of a mechanism to receive, handle, and resolve complaints from any person or community claiming damage or injury caused by the project.</p> <p>WB ESS 5 similarly states that projects must implement a culturally appropriate GRM as early as possible in project development to address specific concerns about compensation, relocation or livelihood restoration measures raised by displaced persons (or others) in a timely fashion. Where possible, such grievance mechanisms will utilize existing formal or informal grievance mechanisms suitable for</p>	The project will establish a GRM that is culturally appropriate, allows people to redress their grievances through multiple routes and does not preclude legal resolution at any stage in the process, regardless of their tenure status – have access. This GRM incorporates local institutions and structures deemed relevant by the communities themselves. Additional details on the GRM are available in Chapter 5.

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
		<p>project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an impartial manner.</p> <p>WB ESS 10 further specifies that the grievance mechanism, process or procedure should not prevent access to judicial or administrative remedies. Further, WB ESS 10 states that the project is responsible for informing the project-affected parties about the grievance process in the course of its community engagement activities, and will make publicly available a record documenting the responses to all grievances received. Finally, WB ESS 10 states that the handling of grievances will be discreet, objective, sensitive and responsive to the needs and concerns of the PAPs, including allowing for anonymous complaints to be raised and addressed.</p>	
Minimization of displacement	<p>The LAA (1977) does not require project proponents to avoid or minimise involuntary resettlement impacts.</p> <p>However, the Land Acquisition, Resettlement and Rehabilitation Policy (2015) demands that project proponents consider, and give preference to, alternative project designs with less environmental and social impacts.</p>	<p>Both WB ESS 1 and WB ESS 5 require project proponents to avoid or minimise involuntary resettlement impacts by exploring project design alternatives.</p> <p>WB ESS 7 requires projects to avoid the adverse impacts of projects on Indigenous Peoples in particular, or when avoidance is not possible, to minimize, mitigate and/or compensate for such impacts in a culturally appropriate manner proportionate to the nature and scale of such impacts and the form and</p>	<p>The minimization of impacts has been done as follows.</p> <p>Examination of alternative Project alignments;</p> <p>Examination of alternative locations for Project components;</p> <p>Avoidance, minimization, and full mitigation of Project-related impacts and risks outside the Project footprint; and</p>



Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	Moreover, this policy requires that project proponents consult affected stakeholders regarding these alternatives.	degree of vulnerability of the affected Indigenous Peoples.	Minimization of land acquisition through careful design of all Project components to reduce the need for physical displacement to the extent possible.
Need to develop a RAP	Although there is no law within Nepal requiring project proponents to create a RAP / LRP, the Policy on Land Acquisition, Compensation and Resettlement in Infrastructure Development Projects (2014) calls for "proper resettlement planning" while the Land Acquisition, Resettlement and Rehabilitation Policy (2015) requests project proponents to develop livelihood restoration plans that maintain, if not improve, the lives of PAHs.	WB ESS 5 states that projects must carry out an environmental and social assessment to determine project impacts (in terms of involuntary displacement), and subsequently develop a plan to address these issues. This plan must be proportionate to the risks and impacts associated with the project, meaning setting out clear provisions concerning compensation, relocation, income generation / livelihoods, and arrangements to address restricted land use, as the case may be. This plan will establish the roles and responsibilities relating to financing and implementing its various components, including arrangements for a contingency fund for unanticipated costs, as well as procedures to monitor and evaluate the implementation of the plan (monitoring and evaluation requirements are also discussed further below).	The Project has done so by developing this RAP, which outlines project displacement impacts, clear eligibility and compensation provisions for affected stakeholders, plans for livelihood restoration and addressing the needs of vulnerable people, as well as procedures for implementation and monitoring and evaluation.
Cut-off date	Under the LAA (1977), the cut-off date for a project – i.e., the point after which affected lands cannot be bought or sold – corresponds with the invocation of Section 9 of the LAA, which	WB ESS 5 states that, in conjunction with the completion of a socioeconomic census survey (to establish a baseline amongst the project-affected population), projects must establish a cut-off date for eligibility. Information	The cut-off for formal title holders losing lands and assets will therefore be the invocation of Section 9 of the LAA. No informal title holders are affected in this project as of now.

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	corresponds with a formal request on the behalf of a project proponent for the government to issue a decree pertaining to the land acquisition transaction. There is no domestic mechanism for establishing a legal cut-off date for structures, productive assets and / or improvements to the land, as the LAA only applies to land transactions, as stated above.	regarding the cut-off date must be well-documented and will be disseminated throughout the project area at regular intervals in written and (as appropriate) non-written forms and in relevant local languages. This will include posted warnings that persons settling in the project area after the cut-off date may be subject to removal.	
Eligibility and recognizable property rights subject to compensation	<p>Both the LAA (1977) and the Constitution of Nepal (2015) contain provisions for land owners and registered tenants; however, neither contains provisions recognizing the rights of informal rights holders, unregistered land owners, squatters, undocumented tenants, landowners' family members, or the landless.</p> <p>However, the Policy on Land Acquisition, Compensation and Resettlement in Infrastructure Development Projects (2014) calls for compensation to registered tenants and sharecroppers, equivalent to 50% of the compensation for</p>	<p>WB ESS 5 states that private property rights, whether formal (legally registered or granted) or informal, must be recognized and duly compensated.</p> <p>Specifically, affected persons eligible to compensation for physical and / or economic displacement include those:</p> <ul style="list-style-type: none"> <li>- Who have formal legal rights to land or assets;</li> <li>- Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or</li> <li>- Who have no recognizable legal right or claim.</li> </ul> <p>Therefore, under WB ESS 5, the lack of a legal title is not an obstacle to eligibility for</p>	It does so by considering all identified PAHs – including those without any recognizable legal titles – as eligible for compensation. The form of compensation to which PAHs are entitled will depend on their relationship to the lands to be acquired (i.e., owner versus non-title holding occupant / land user) as well as the assets that they possess. Chapter 6 provides full details about entitlements and eligibility for each category of PAH.

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	<p>the acquired area of land and lost crops.</p> <p>Finally, the National Land Policy (2019) also recognizes the land rights of squatters and others with informal tenure.</p>	compensation for involuntary displacement.	
Compensation for “full replacement cost”	<p>As per the LAA (1977), compensation for structures and other assets takes into consideration depreciation over time, meaning the compensation paid does not meet the threshold for full replacement cost.</p> <p>The non-binding Policy on Land Acquisition, Compensation and Resettlement in Infrastructure Development Projects (2014) calls for cash compensation at full market value (equivalent to replacement cost) for all acquired land if the provision of replacement land is not feasible, with the stipulation that a person who becomes a marginal landholder as a result of land acquisition should be provided with replacement land of equivalent productivity or value. This policy also calls for cash compensation at replacement cost for</p>	<p>WB ESS 5 states that projects must compensate for all affected assets at “full replacement cost,” that is, as new assets (i.e., not factoring in depreciation over time). In the case of land acquisition, projects must also cover land transfer costs. In the case of crops, projects must consider the formation of a new crop, considering soil preparation, planting, cultivation and fertilizers, as well as the loss of profit and a period for which there will be no production. Finally, projects should prioritize the replacement of assets, but monetary compensation can be substituted for in-kind replacement if and when PAHs express a strong preference for this approach.</p>	<p>The Project will compensate assets at “full replacement cost” and prioritizing in-kind compensation where possible.</p> <p>Full replacement cost applies to all land, structures, and assets and is defined as the cost to replace or re-establish the land / structure / asset “as new” (i.e. not taking into consideration depreciation over time) or at equivalent value / quality. The Project will also provide (depending on eligibility):</p> <ul style="list-style-type: none"> <li>- Food security allowance</li> <li>- Transportation allowance</li> <li>- Transition allowance</li> <li>- Land transaction assistance (costs &amp; legal assistance)</li> <li>- Vulnerability allowance</li> <li>- Transactional allowances</li> </ul>

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	the loss of all structures.		
Cash and in-kind compensation	<p>As per the LAA (1977), compensation for lands acquired for the purposes of 'public purposes' is to be paid in cash (i.e., as a lump-sum), although landowners who have lost their entire landholdings may request in-kind land replacement rather than in-cash compensation. This outcome would require joint approval by the PAH and the project proponent, as well as availability of replacement land in nearby areas.</p> <p>The Policy on Land Acquisition, Compensation and Resettlement in Infrastructure Development Projects (2014) states that cash compensation can be offered if the provision of replacement land is not feasible, with the stipulation that a person who becomes a marginal landholder as a result of land acquisition should be provided with replacement land of equivalent productivity or value.</p>	<p>WEB ESS 5 states that, where livelihoods of displaced persons are land-based, or where land is collectively owned, the project will offer the displaced persons an option for replacement land, unless it can be demonstrated to the WB's satisfaction that equivalent replacement land is unavailable. Recognizing that cash assistance alone, frequently fails to provide affected persons with the productive means or skills to restore livelihoods, projects are required to offer economically displaced persons options for alternative income earning opportunities, such as credit facilities, skills training, business start-up assistance, employment opportunities, or cash assistance additional to compensation for assets.</p> <p>WB ESS7 states that, where, If circumstances prevent the project from offering suitable replacement land, the project must provide verification that such is the case. Under such circumstances, the project will provide non-land-based income-earning opportunities over and above cash compensation to affected Indigenous Peoples.</p>	<p>It will do so by favouring and encouraging PAHs to accept in-kind compensation where possible (see Chapter 6 for additional details). In instances where in-kind compensation is not possible (i.e., equivalent land of equal value is not available in the PAHs desired relocation site, PAH wishes to change livelihood approach) or PAHs express strong preference for cash compensation, the Project will comply, but will encourage participation in financial management training and gender equity in payments through a series of provisions outlined in Chapter 6.</p>
Timing of compensation	According to the LAA (1977), the executing agency may acquire land after depositing money with the competent authority for	As stated in WB ESS 5 (Para. 15), projects will only take possession of acquired land and related assets after compensation has been made available and, where	It does so by mandating that the Project will only initiate land access after payment of full compensation (except for legally disputed cases, if

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	compensation determination.	<p>applicable, resettlement sites and moving allowances have been provided to the displaced persons, in addition to eligible compensation at full replacement cost.</p> <p>WB ESS 5 also, however, recognizes that there can be significant problems relating to the transfer of compensation to entitled parties. Therefore, ESS 5 states that on an exceptional basis and with prior agreement of the WB, and where the project demonstrates that all reasonable efforts to resolve such matters have been taken, the project may deposit compensation funds as required by the plan (plus a reasonable additional amount for contingencies) into an interest-bearing escrow or other deposit account and proceed with the relevant project activities. This will then be made available to eligible persons in a timely manner as issues are resolved.</p>	<p>any) and, where relevant, replacement land and moving allowances have been provided to PAHs.</p> <p>UAHEL commits to explore a way to establish a similar escrow account where compensation amount refused or unclaimed will be transferred to a separate interest-bearing account where PAHs can access as and when they decide to claim the compensation. Any additional compensation determined due to court case or otherwise will be arranged.</p>
Security of tenure	Domestic legislation does not address obligations of projects to provide replacement lands secure tenure for displaced persons.	WB ESS 5 states that resettled populations must be provided with adequate housing, access to services and facilities, and security of tenure, meaning that resettled individuals or communities are resettled to a site that they can legally occupy, where they are protected from the risk of eviction and where the tenure rights provided to them are socially and culturally appropriate. WB	The Project does so by ensuring that PAHs are offered adequate replacement housing (of equal or greater value to their current housing subject to minimum standards – see Chapter 6) and by offering displaced PAHs replacement land with security of tenure at least equivalent to what which they previously enjoyed.

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
		ESS 5 goes on to state that, in no event will resettled persons be provided tenure rights that are in effect weaker than the rights they had to the land or assets from which they have been displaced.	The Project also offers PAHs several resettlement options to ensure that they can choose those which best restore their existing socio-cultural connections,
Expropriation and forced eviction	<p>Article 25(3) of the Constitution of Nepal (2015) states that when the state acquires or establishes its right over private property, it will compensate for loss of property and the basis and procedure for such compensation will be specified under relevant laws.</p> <p>The LAA (1977) also empowers the Government to acquire any land, on the payment of compensation, for public purposes or for the operation of any development project initiated by government institutions (Sections 3 and 4). In such cases, land acquisition would be subject to the award of compensation (Section 3) to be paid in cash (Section 13) based on the price of land when acquisition notice is given. It also states that the Government will compensate for the value of crops, houses, walls, sheds etc. acquired with the land</p>	<p>WB ESS 5 states that expropriation occurs when the owners of properties required for the development of a project deemed to be in the nation's "social interest" reject compensation offers that meet the requirements of the WB ESS. In all cases, projects must aspire towards reaching a negotiated settlement with affected communities in which they voluntarily sell their land, even if legally speaking, the projects have the right to expropriate (i.e., resort to government authority to access lands without the seller's consent). Thus, forced evictions via expropriation must be avoided wherever possible and used only as a last resort.</p> <p>WB ESS 5 goes on to say that projects should not resort to forced evictions of affected persons, with "forced eviction" defined as "the permanent or temporary removal against the will of individuals, families, and/or communities from the homes and/or land which they occupy without the provision of, and access to, appropriate forms of legal and other protection, including all applicable procedures and principles in this ESS. The</p>	Compensation will be made paying full replacement value (rather than the current market price) for land, assets, and improvements. There will be no forced eviction.

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	and losses the person will suffer because of shifting residence or business (Section 16).	exercise of such powers by a project will not, however, be considered to be forced eviction providing it complies with the requirements of national law and the provisions of this ESS and is conducted in a manner consistent with basic principles of due process (including provision of adequate advance notice, meaningful opportunities to lodge grievances and appeals, and avoidance of the use of unnecessary, disproportionate or excessive force).	
Restoration of livelihoods	The Land Acquisition, Resettlement and Rehabilitation Policy (2015) states that livelihood restoration plans must retain the living standard of, and provide additional assistance to, the those households most seriously affected <sup>32</sup> by the project and / or the most vulnerable project-affected people, including those belonging to poor, Dalit, or marginalized Indigenous groups, single woman, differently-abled, senior citizens, and / or and with no legal rights to the lands on which they live (Section 8.2.7b). This policy also suggests that employment opportunities should be provided to the	WB ESS 5 states that, in the case of projects affecting livelihoods or income generation, the project's plan will include measures to allow affected persons to improve, or at least restore, their incomes or livelihoods. The plan will establish the entitlements of affected persons and/or communities, paying particular attention to gender aspects and the needs of vulnerable segments of communities, and will ensure that these are provided in a transparent, consistent, and equitable manner.  WB ESS 5 also states that decision-making processes related to resettlement and livelihood restoration must include options and alternatives from which affected persons may choose. Finally, WB ESS 5 clarifies that livelihood restoration and	It does so by endeavouring to prioritize in-kind land-for-land compensation capable of supporting the sustainable livelihoods of PAHs, rather than defaulting to one-time lump-sum in-cash compensation payments. It also does so by offering livelihoods alternatives to PAHs and ensuring those livelihoods options requiring a lead-time will be implemented as early as possible (see Chapter 10, Implementation Schedule). Wherever possible, the Project will endeavour not to simply restore, but rather improve, livelihoods through the programming described in Chapter 7 of this RAP.

<sup>32</sup> No formal definition of "seriously affected" is provided by this law. For the purposes of this Project, those "seriously affected" will be PAHs which meet any Group 1 or Group 1 indicators of vulnerability, as laid out in Chapter 8.



Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	aforementioned seriously affected PAHs and vulnerable groups, based on their skills and capabilities (Section 8.2.9d).	improvement programs will commence in a timely fashion in order to ensure that affected persons are sufficiently prepared to take advantage of alternative livelihood opportunities as the need to do so arises.	
Support during transition	The Policy on Land Acquisition, Compensation and Resettlement in Infrastructure Development Projects (2014) calls for “additional relocation and rehabilitation support measures,” particularly to displaced households, severely affected households, women and vulnerable people.	<p>According to WB ESS 5, projects should provide transitional support as necessary to all physically displaced households, including assistance for relocation of household members and their possessions (or business equipment and inventory), as well as any additional assistance to be provided for households choosing cash compensation and securing their own replacement housing, including construction of new housing. If planned relocation sites (for residences or businesses) are not ready for occupancy at the time of physical displacement, the plan establishes a transitional allowance sufficient to meet temporary rental expenses and other costs until occupancy becomes available.</p> <p>WB ESS 5 also calls for transition support for economically displaced households. This may include payment for lost crops and lost natural resources, payment of lost profits for businesses, or payment of lost wages for employees affected by business relocation. This ESS requires</p>	<p>It does so by offering PAHs support throughout the transition process, including:</p> <ul style="list-style-type: none"> <li>- Providing assistance for physically displaced PAHs to rebuild residential structures;</li> <li>- Providing replacement lands in advance of construction or, if not possible, providing appropriate alternatives (i.e. rental residence for physically displaced);</li> <li>- Providing a transportation allowance</li> <li>- Providing a transition allowance</li> <li>- Providing land transaction costs (costs, taxes &amp; legal assistance)</li> <li>- Providing additional assistance to vulnerable households per the terms outlined</li> </ul>

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
		that the transitional support continues for the duration of the transition period.	throughout this RAP. Additional details on the Project's approach to these matters are provided throughout the RAP (in Chapters 6, 7, and 8 in particular).
Special assistance for vulnerable households	<p>Under the LAA (1977), landless families with legal ownership can get additional compensation at the discretion of the CDC. However, specific packages or entitlement for vulnerable groups are otherwise not prescribed.</p> <p>The Land Acquisition, Resettlement and Rehabilitation Policy (2015) calls for additional relocation and rehabilitation support measures, particularly to displaced households, severely affected households, women and vulnerable people.</p> <p>The Land Acquisition, Resettlement and Rehabilitation Policy (2015) calls for Projects must conduct easy, simple, and transparent consultations with project-affected peoples that duly consider the presence of members of aforementioned seriously affected project-affected</p>	<p>WB ESS 1 says that, when a project includes physical risks and impacts, the project must take steps to identify the persons and groups that may be directly, differentially, or disproportionately affected due to their disadvantaged or vulnerable state. Projects must then propose and implement differential measures where the environmental and social assessment of the project identifies specific individuals or groups as disadvantaged or vulnerable.</p> <p>WB ESS 5 also calls for projects to develop/implement a plan to assist persons identified as "vulnerable" throughout the land acquisition and livelihood restoration process, including but not limited to Resettlement Action Plans.</p>	<ul style="list-style-type: none"> <li>- It does so by: Identifying vulnerable PAHs as a unique stakeholder group;</li> <li>- Ensuring that community consultations are done in such a way so as to include vulnerable populations in an equitable manner;</li> <li>- Providing allowances specifically designed to mitigate certain forms of vulnerability (through the food security allowance, vulnerability allowance, and other provisions laid out in Chapters 6,7 and 8); and</li> <li>- Ensuring that vulnerable populations are given special attention throughout the resettlement process, including during consultations, implementation (specifically through inclusion in livelihoods programming), and monitoring and evaluation (see Chapters 4, 7, 8 and</li> </ul>

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
	households and vulnerable groups (Section 8.3.2).		9 for additional details).
Monitoring and evaluation	Domestic legislation does not explicitly mandate a system for monitoring and evaluation of land acquisition and / or resettlement processes.	<p>WB ESS 1 states that projects must establish procedures to monitor and evaluate the effectiveness of any project management programme or activities and, where appropriate, involve representatives of affected communities in said monitoring and evaluation.</p> <p>WB ESS 5, in discussing the characteristics of a RAP, call for projects to make arrangements for monitoring of displacement and resettlement activities by the implementing agency, supplemented by third-party monitors as considered appropriate by the WB, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of results for a reasonable period after all resettlement activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.</p> <p>WB ESS 5 also states that livelihood restoration plans will incorporate arrangements to monitor the effectiveness of livelihood measures during implementation, as well as evaluation once implementation is completed.</p>	<p>The system is firmly rooted in a participatory approach that involves the direct and active participation of displaced persons and stakeholders, and the incorporation of their feedback into the Project's land acquisition and resettlement activities.</p> <p>The Project will monitor resettlement and compensation activities both internally and externally. Internal monitoring will focus on inputs and outputs and will be aimed at observing the short-term changes in different indicators. External evaluation will focus on processes and outcomes, using the findings of internal monitoring, as well as investigations completed by external, third party organizations. External evaluation will be carried out periodically, along with completion audits for each phase of resettlement and compensation.</p> <p>Monitoring and evaluation activities will continue until it can be demonstrated that displaced persons have successfully re-established their livelihoods and restored their quality of life. See Chapter 9 for additional details.</p>

Theme	Requirements under National Laws & Policies	Requirements under World Bank Standards	Gaps and How they will be Addressed
		The mitigation of economic displacement will be considered complete when the completion audit concludes that affected persons or communities have received all of the assistance for which they are eligible, and have been provided with adequate opportunity to re-establish their livelihoods.	
RAP completion audit	Domestic laws provide no guidance concerning a RAP completion audit.	WB ESS 5 stipulates that depending on scale and/or complexity of the resettlement process, it might be necessary to commission an external completion audit – to be undertaken by competent resettlement professionals – to assess whether the provisions of such resettlement and/or livelihoods restoration plans have been met, once all mitigation measures have been substantially completed and once displaced persons are deemed to have been provided adequate opportunity and assistance to sustainably restore their livelihoods.	This Project will incorporate a RAP completion audit into its monitoring and evaluation programme (see Chapter 9).

### 3.2.2 Expropriation in Nepal

As outlined above (Section 3.2 and **Table 3-3**), both the Nepal Constitution (Article 25[3]) and the LAA empower the Government to acquire any land, on the payment of compensation, for public purposes.

#### Land Acquisition and Resettlement Impacts

A crucial aspect of the resettlement planning process is to establish an understanding of the impacts that the Project will have on those that experience economic and / or physical displacement. Knowledge of displacement impacts allows for effective compensation and livelihood restoration plans to be formulated, which in turn ensure that affected communities are able to re-establish their homes and livelihoods after relocation.

This chapter provides details on the various components, including:

1. Efforts to minimize the scope of displacement;
2. Displacement impacts and scope of displacement; and

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### 3. Anticipated impacts of displacement.

Information provided in this chapter is drawn from the multiple rounds of socioeconomic census and land / asset survey fieldwork conducted between June 2019 and March 2021. The cut-off date was established after publishing notice on National Daily Newspaper, Gorkhapatra for land acquisition on 2079/04/26 (August 11, 2022).

## 3.3 Efforts to Minimize Scope of Displacement

The Project has made considerable efforts to minimize the scope of displacement. Specific efforts include the following:

Examination of alternative Project alignments;

Examination of alternative locations for Project components;

Avoidance, minimization, and full mitigation of Project-related impacts and risks outside the Project footprint; and

Minimization of land acquisition through careful design of all Project components to reduce the need for physical displacement to the extent possible.

Specifically, the Project considered alternatives for all project facilities, including the headworks, water conveyance system, powerhouse, tailrace, access road, transmission line, and ancillary facilities. The Project made several changes in the adopted location of these facilities as a result of the alternatives analysis, including changes in the transmission line route and the location of various ancillary facilities (i.e., spoil disposal areas, worker camps, powerhouse water plant, headrace, Employer's Camp, quarry access road, borrow areas, and fuel depot). These changes in facility locations were made to minimize physical displacement, minimize placement of permanent facilities within the Makalu Barun National Park (MBNP) buffer zone, reduce impacts to agricultural land, reduce need for forest clearing, and maximize buffers to the villages of Sibrun, Namase, and Rukma (see Project ESIA for more details). By co-locating or reusing various ancillary facilities required by the access road, hydropower, and transmission line contractors, the overall land acquisition was reduced by over 100 hectares.

The following sections describe the land take required for the project following these efforts to minimize the scope of displacement, and the anticipated impacts that will result.

## 3.4 Displacement Impacts

Despite the Project's efforts to minimize impacts, the construction and operation of the Project will nonetheless result in the displacement of some households from the Project footprint. These displacement impacts can be characterized in terms of the immovable assets that will be affected, including structures, land, crops and trees, community infrastructure, and public facilities. The loss of these immovable assets will affect the people, households, and communities that own or use these assets. Specifically, households will be:

Physically displaced, if they lose their residence and related assets; and/or

Economically displaced, if they lose access to their productive assets and / or other source of livelihood.

The following sections present the Project impacts in terms of total land take, scope of physical and economic displacement, as well as the effects that this displacement will have on physical, economic-productive, and socio-cultural resources.

## 3.5 Scope of Displacement

### 3.5.1 Land Requirements

The Project estimates that the various surface and underground works and interventions for the Project would require acquisition of 195.8 ha of land (138.6 ha for the hydropower and 57.2 ha for the access

road components, which will affect all or portions of 699 privately owned land parcels (119.5 ha) and 92 government owned land parcels (76.3 ha) (**Table 3-4**).<sup>33</sup> A minor amount of additional land acquisition may be required where the parcel residual is too small for use and the property owner wants to have it acquired.

**Table 3-4: Land Acquisition by Land Type (Private or Public)**

Land Category	# Affected Parcels	Area (m <sup>2</sup> )	Area (ha)
Private land	699	1,194,777	119.5
Public land <sup>34</sup>	92	763,206	76.3
<b>TOTAL</b>	<b>791</b>	<b>1,946,733</b>	<b>195.8</b>

Temporary land disturbance will affect an additional approximately 75.8 ha of land (see **Table 3-5**); however, this land is only needed for temporary construction access and grading for a period of less than two years. These lands will therefore will not be acquired, rather only compensated temporarily per the terms laid out in Chapter 6.<sup>35</sup> All temporary land required for more than two year will be acquired permanently whereas there will be a lease provision for the temporary land required for less than 2 years.

**Land acquisition for access road:** 90 ha of land will be required for the access road including its ancillary facilities impacting 220 households. During early stage of RAP implementation, the management of impacts due to the access road construction will be prioritized.

<sup>33</sup> A separate RAP will be prepared for land acquisition and displacement associated with the Project transmission line as soon as the transmission line route has been finalized. The transmission line RAP will be prepared when the feasibility study and design are complete, and prior to initiation of bidding for the transmission line. See Section 11.1 for further information.

<sup>34</sup> It was not possible to obtain ownership information for one (1) parcel -- Malpot had no information on this parcel and local authorities / neighbors did not know who the parcel belonged to. For the purposes of this RAP, the Project therefore considers this as a public parcel.

<sup>35</sup> These lands will only be acquired permanently if the disturbance is such that the land is no longer viable for its original purposes following the end of the construction phase. See Section 7.5.1 for details.

**Table 3-5: Land Impact by Project Component and Impact Type (Land Acquisition or Temporary Land Use)**

Project Component	Land Acquisition (ha)	Temporary Land Use (ha)	Total Affected Lands
Hydropower	138.6	73.5	212.1
Access Road	57.2	2.3	59,5
<b>TOTAL</b>	<b>195.8</b>	<b>75.8</b>	<b>271.6</b>

As **Table 3-6** shows, most of the 119.5 ha of privately-owned land that the Project will acquire is associated with four Project components: (1) access road (43.7 ha), (2) spoil disposal area #1 (14.8 ha), (3) reservoir (7.7 ha), and (4) aggregate crushing and concrete batching plant No.1 (7.7 ha). It should be noted, however, that many of the components overlap with each other (i.e. parcels required for a temporary project component are often also required, in part or in whole, for a permanent project component). Therefore, in Table 4-3, some components are listed as “0” land area, where the lands required for that component are included elsewhere. For example, Water Plant #2 is noted as requiring 0 m<sup>2</sup> of land, because it overlaps in its entirety with land being acquired for Fabrication Shop-2, Contractor Camp-4, and Spoil Tip Area-1. Therefore, the Project will consider the remarks made in the final column of **Table 3-6** when considering the private and public land requirements.

The Project will only require some of the 195.8 ha of land (required for the hydropower and access road components) “temporarily”, meaning the structures or alterations to the land associated with Project components will not be permanent features of the Project beyond construction.<sup>36</sup> **Table 3-6** shows the break-down of project components the Project requires permanently, versus those the Project only requires temporarily.<sup>37</sup> However, for physically displaced PAHs in particular, long periods of displacement can risk rupturing social ties with the community of residence, thereby jeopardizing PAHs’ ability to re-integrate successfully. Therefore, the Project will consider as ‘permanent’ all displacement – physical or economic - of PAHs that will go beyond a 24-month period (which characterizes all 195.8 ha of land indicated in **Table 3-6** and above).

<sup>36</sup> It is important to note here the distinction between lands with ‘temporary’ project components on them (i.e. structures that are only required for the construction period) that the Project will fully acquire (either permanently through purchase, or temporarily through lease) and lands for which the Project only requires ‘temporary access’ (i.e. impact will be land disturbance) (for which the PAH remains the owner and is paid an annual amount [plus any damages to crops, etc.] for access to those lands). See Chapter 6.5 (Compensation and Restoration Matrix) for details.

<sup>37</sup> In several instances, land parcels (of parts thereof) are required for both the access road and for the hydropower component (see Table 3-6). In all cases where there is overlap, the full land area has been included under only one of the two components (to avoid double-counting) and a “0” entered for the land area associated with the other component (where overlap is complete, i.e. the complete parcel).



**Table 3-6: Land Acquisition Area, by Project Component**

Project Component	Permanent (P) / Temporary (T)	Private Land	Public Land	Total Area (m <sup>2</sup> )	Remarks Concerning Overlapping Acquisition Areas
		Area (m <sup>2</sup> )	Area (m <sup>2</sup> )		
Maintenance shops No.2	T	7847.1	1846.3	9693.4	Required area overlaps partially with Mechanical Yard, etc. (PH))
Fabrication shops No.2	T	11387.0	6487.3	17874.3	Required area overlaps partially with Mechanical Yard, etc. (PH))
Fuel Storage	T		994.0	994.0	
Owner's camp No.2	P	3748.6	763.8	4512.4	
Water plant No.2	P		0.0	0.0	Required area overlaps partially with Fabrication shop 2, Contractor camp-4, Spoil Tip Area-1
Concrete batching plant No.3	T		0.0	0.0	Required area overlaps partially with Spoil Tip Area-1, Contractor's Camp No.4
Explosive Magazine	T	1437.2		1437.2	
Potyard	P	525.2	17663.7	18188.9	
Contractor's Camp No.4	T	7748.9	8390.9	16139.8	
Power Plant No.3	T	483.5	3953.8	4437.4	
Contractor's camp No.3	T	19815.7	38.3	19854.0	
Spoil disposal No.3	P	32819.2	4607.3	37426.5	Required area overlaps partially with Spoil Tip Area no.2
Spoil disposal No.4	P	3058.8	5933.1	8991.9	Required area overlaps partially with Spoil Tip Area no.3

Project Component	Permanent (P) / Temporary (T)	Private Land	Public Land	Total Area (m <sup>2</sup> )	Remarks Concerning Overlapping Acquisition Areas
		Area (m <sup>2</sup> )	Area (m <sup>2</sup> )		
Surge Tank	P	10250.7	2183.2	12433.9	
Spoil Disposal No.2	P	54733.5	10895.2	65628.7	
Contractor's camp No.2	T	1499.3	358.1	1857.4	
Concrete batching plant No.2	T	1398.3	746.6	2144.9	
Power plant No.2	T	1068.0		1068.0	
Spoil disposal No.1	P	148025.2	4960.9	152986.1	
Contractor's camp No.1	T	52682.0	11.3	52693.3	Required area overlaps partially with Access Road New, Mechanical Yard
Owner's camp No.1	P	0.0	0.0	0.0	Required area overlaps partially with Access Road New, Camp site no.3, Mechanical yard
Aggregate crushing and concrete batching plant No.1	T	77219.2	21144.3	98363.4	Required area overlaps partially with Fabrication shops No.1, Batching Crushing Plant, Road No. 7
Maintenance shops No.1	T	27.5	9184.9	9212.4	
Fabrication shops No.1	T	21523.5	4173.5	25697.0	
Power plant No.1	T	3517.6		3517.6	Required area overlaps partially with Fabrication shop No.1
Water plant No.1	P	3759.6	3930.6	7690.2	
Excavation Collivium and Deluvium	T	8232.0	2254.2	10486.2	Required area overlaps partially with Reservoir

Project Component	Permanent (P) / Temporary (T)	Private Land	Public Land	Total Area (m <sup>2</sup> )	Remarks Concerning Overlapping Acquisition Areas
		Area (m <sup>2</sup> )	Area (m <sup>2</sup> )		
Reservoir	P	77396.2	210265.2	287661.4	Required area overlaps partially with Aggregate crushing and concrete batching plant No.1, Fabrication shops No.1, Road No.1, Road No.5, Road No.6, Road No. 7, Dam and Intake area
Chepuwa Quarry	T		60270.4	60270.4	
Dam and Intake Area	P	44.2	144129.2	144173.4	
Powerhouse Area	P	57108.9	21378.1	78487.0	Required area overlaps partially with Access Road New
Construction adit No.3(L=170m)	P	1774.6		1774.6	
Construction adit No.4(L=230m)	P	1418.7	534.9	1953.5	
Construction adit No.5(L=125m)	P	732.2		732.2	Required area overlaps partially with Powerhouse Area
Construction adit No.2(L=150m)	P	1637.0	316.5	1953.5	
Construction adit No.1(L=140m)	P		1953.5	1953.5	
Construction adit No.6 (L=535m)	P	1953.5		1953.5	
Access tunnel and Sediment Bypass Tunnel (SBT)	T		6641.4	6641.4	Required area overlaps partially with Reservoir

Project Component	Permanent (P) / Temporary (T)	Private Land	Public Land	Total Area (m <sup>2</sup> )	Remarks Concerning Overlapping Acquisition Areas
		Area (m <sup>2</sup> )	Area (m <sup>2</sup> )		
Cable crane	T		2893.3	2893.3	Required area overlaps partially with Reservoir
Tailrace tunnel	T		2419.8	2419.8	
Ventilation tunnel	T	1953.5		1953.5	
Access tunnel to powerhouse	T	329.6	2292.3	2621.9	
Access bridge	T		559.1	559.1	
Bridge no .1	T		640.2	640.2	
Bridge no .2	T		260.0	260.0	
Road No. 1	T	6514.8	7712.4	14227.2	
Road No. 2	T	91.9	4924.2	5016.1	
Road No. 3	T	1305.9	1208.7	2514.6	
Road No. 4	T	9462.5	456.3	9918.7	
Road No. 5	T		690.5	690.5	Required area overlaps partially with Reservoir
Road No. 6	P		2382.3	2382.3	
Road No. 7	P	1812.6	3640.2	5452.8	
Road No. 8	P	15012.0	2462.7	17474.6	Required area overlaps partially with Access Road New, Construction adit No.2 (L=150m)
Road No. 9	P	5533.5	375.5	5909.0	Required area overlaps partially with Access Road New

Project Component	Permanent (P) / Temporary (T)	Private Land	Public Land	Total Area (m <sup>2</sup> )	Remarks Concerning Overlapping Acquisition Areas
		Area (m <sup>2</sup> )	Area (m <sup>2</sup> )		
Road No. 10	T	3355.5	503.3	3858.7	
Road No. 11	P	516.7	1254.1	1770.8	
Road No. 12	T	1275.8	154.7	1430.5	
Road No. 13	P	2034.6	7489.5	9524.0	Required area overlaps partially with Spoil Tip Area no. 2, Ventilation tunnel
Road No. 14	P	303.4	235.3	538.7	Required area overlaps partially with Spoil Tip Area no. 2, Spoil disposal No.3
Access Road New	P	436561.6	135126.1	571687.7	
Mechanical Yard, etc (PH)	T	5649.8	649.7	6299.5	Required overlaps partially with Maintenance shops No.2, Fabrication shops No.2
Spoil Tip Area No.1	T		23450.5	23450.5	
Camp No. 1	T	634.7	0.4	635.1	Required area overlaps partially with Contractor's Camp No.4
Spoil Tip Area No. 2	P	19914.9	45.7	19960.6	Required area overlaps partially with Spoil disposal No.3
Spoil tip area No. 3	P	25391.6	3700.8	29092.4	Required area overlaps partially with Spoil Disposal no.4
Mechanical Yard	T	4.2	32.9	37.1	Required area overlaps partially with Contractor's camp No.1
Camp Site No.3	T	4897.6	1465.0	6362.6	Required area overlaps partially with Access Road New

Project Component	Permanent (P) / Temporary (T)	Private Land	Public Land	Total Area (m <sup>2</sup> )	Remarks Concerning Overlapping Acquisition Areas
		Area (m <sup>2</sup> )	Area (m <sup>2</sup> )		
Batching Crushing Plant	T	2104.5	0.0	2104.5	Required area overlaps significantly with Aggregate crushing and concrete batching plant No.1
Camp 2/ Composite Site/ Mechanical Yard	T	12610.5		12610.5	
Muck Disposal Site/Batching/Crushing Plant	T	9517.7	16.4	9534.0	
Spoil Area No. 4	P	9015.7	855.0	9870.7	
Spoil Area No. 5	P	3397.6	0.0	3397.6	Required area overlaps significantly with Spoil disposal No.1
<b>TOTAL (m<sup>2</sup>)</b>		<b>1,194,076</b>	<b>763907.4</b>	<b>1957982</b>	
<b>TOTAL (ha)</b>		<b>119.5</b>	<b>76.3</b>	<b>195.8</b>	

**Table 3-7** shows the total lands to be acquired, disaggregated by village, although these are approximate since the villages do not have formal boundaries.

**Table 3-7: Private Land Acquisition by Village**

Parcel Location	Private Land Acquisition (ha)
Rukma	40.47
Jijinkha	18.35
Sibrun	14.80
Namase	24.74
Hema	1.05
Chepuwa	9.85
Limbutar	4.16
Chongrak	4.15
Rapsa	1.92
<b>TOTAL</b>	<b>119.5</b>

**Impact of public lands.** It is assessed that about 77 hectares of Government lands will be used for the project and some of these lands are being used for community forest purposes. No individuals are depending on these lands for agricultural or living or any the other purposes. In the event during implementation if it comes to the notice that anyone is depending on these lands they will be compensated and assisted in line with the principles of this RAP.

In case of community forest lands, the project will hold consultations with all community forest users' committees and agree on how to compensation or assist the losses related to any commercial farming. The compensation related to use of community forest lands and loss of tree will be compensated in approval of Government of Nepal. following relevant \Acts and regulations of Government of Nepal particularly forest Act 2076 and Forest regulation 2079. Those agreed measures will be implemented prior to taking over of those land for construction purposes.

**Temporary Land Acquisition.** All the lands required for less than two years will taken on lease and the lease rent will be discussed and agreed and a lease agreement will be executed which will also describe the condition of land taken and how it will be returned at the end of the construction period.

**Unviable Land Parcels.** During consultations people expressed their desire to surrender the unviable land parcel since they will no longer viable for cultivation because of small size. UAHEL will work with CDC to establish the criteria and offer to the eligible PAHs. The process and timeline are described in section 10.3 and will be disseminated widely.

### 3.5.2 Involuntary Displacement

The socioeconomic survey was undertaken in July 2020, and the baseline data will be updated during early stage of the RAP implementation by RAP implementation support consultant

The Project has confirmed that the above process of land acquisition will result in the physical and economic displacement of **335** households as described below (see **Table 3-8**):



22 households experiencing physical and economic displacement<sup>38</sup> (approximately 109 PAPs); and 313 households experiencing economic displacement only (approximately 1614 people).<sup>39</sup>

As **Table 3-8** shows physical displacement is concentrated within the villages of Sibron (7 PAHs), Limbutar (6 PAHs), and Chongake (5 PAHs), while economic displacement is concentrated in Chikuwa (125 PAHs), Namaste (68 PAHs), and Sibron (58 PAHs). As explained previously, the land acquisition statistics are disaggregated by the village of origin of the landowner, rather than the village in which the parcel is located. As stated above, the reason that data is presented according to ‘village of origin’ when referring to PAHs (rather than simply to land area) is that many PAHs own parcels in multiple villages, making it impossible to associate PAHs with a single village affected by economic displacement; therefore, while the ‘physical displacement’ column refers (by definition) to the village in which the affected PAH physically lives (i.e. where the residential structure that they inhabit is located), the economic displacement column refers to the village of owner’s “origin”, meaning the village with which they identified themselves in the socioeconomic census, irrespective of whether they physically reside there and / or own lands in additional villages.

**Table 3-8: Physically and Economically Displaced Households, by Village of Owner Origin and Displacement Type**

Village	Physical Displacement (# of PAHs)	Physical Displacement (# of PAPs)	Economic Displacement (# of PAHs)	Economic Displacement (# of PAPs)	Total PAHs	Total PAPs
Chepuwa	1	6	125	624	126	630
Chongrak	5	21	8	35	13	56
Adima	0	0	1	2	1	2
Gola	0	0	4	22	4	22
Hema	3	18	10	51	13	69
Jijinkha	0	0	3	22	3	22
Limbutar	6	24	4	21	10	45
Namase	0	0	68	331	68	331
Rapsa	0	0	2	26	2	26
Rukma	0	0	15	98	15	98
Sibrun	7 <sup>40</sup>	40	58	302	65	342

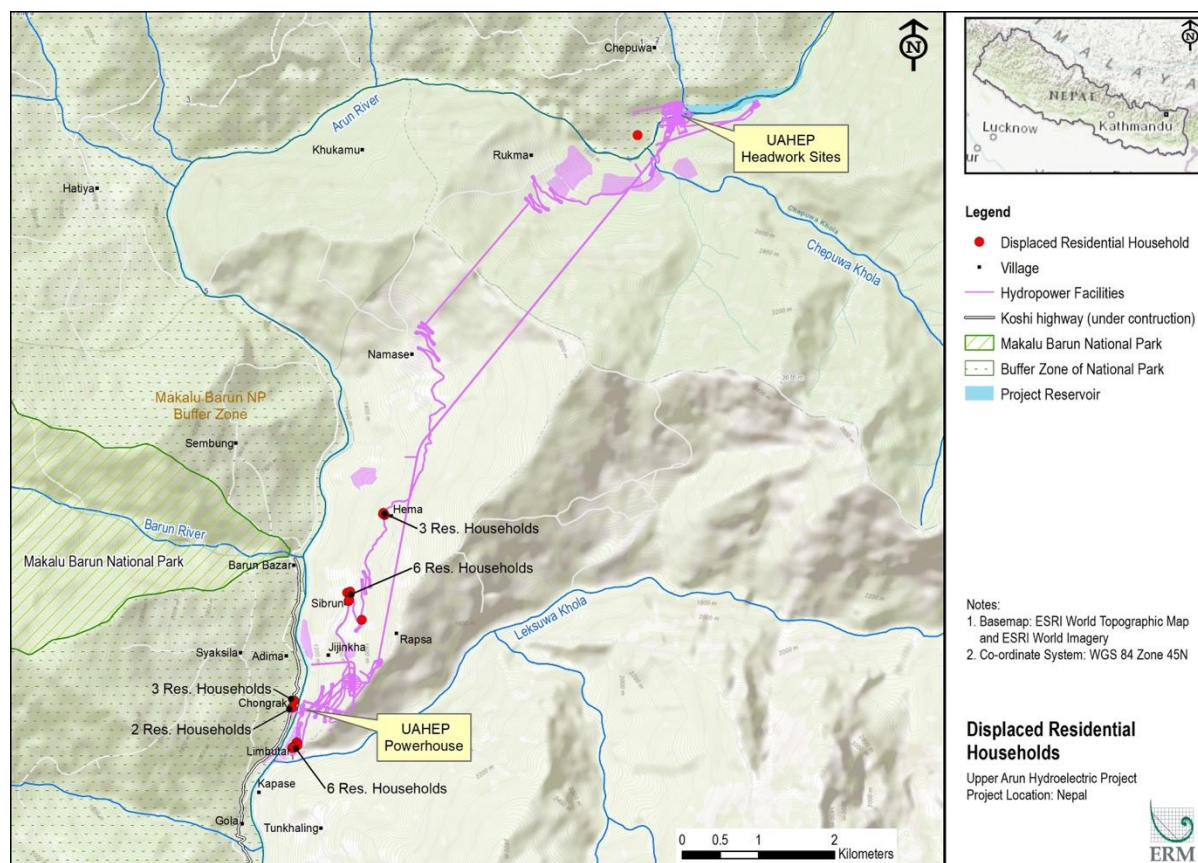
<sup>38</sup> As mentioned in previous chapters, those PAHs that are physically displaced are also economically displaced. However, for the sake of clarity and delineation between those PAHs whose residences are being affected by the land acquisition (i.e. physically and economically displaced) and those whose residences are not affected (i.e. economically displaced only), this document will refer to the former as ‘physically displaced’.

<sup>39</sup> Please note that the Project was unable to gather socio-economic information for 46 of the 335 PAHs as the owners were not present on their lands during any of the rounds of data collection fieldwork described in Chapter 2. Therefore, for these PAHs, the Project has assumed 1 PAP per household. The total number of economically displaced PAHs is therefore likely higher than the number cited here, assuming an average household size of 6.1 people / household amongst the displaced population (as detailed in Section 2.2.1).

<sup>40</sup> Two PAHs (both in Sibrun) have two inhabited residential structures each on their affected parcels. In one case, the demographic composition of the people living in the additional residential structure is such that it could be considered a unique ‘household’ (as it consists of two adults living with their children). The Project will therefore consider this a physically displaced household entitled to compensation as such (i.e. replacement house and participation in livelihoods programming). How replacement land and / or cash compensation will be distributed amongst this household and the other with which it is sharing land currently will be determined during individual negotiations between the Project and the PAHs, taking into consideration the requirements of the WB ESS and the need to restore or improve livelihoods. The second case where there is an additional residential structure on the same land suggests that there is no separate ‘household’ but rather that this house was built to allow a family with many children to have additional space. This household will therefore be treated as a single PAH in terms of entitlements and compensation.

Village	Physical Displacement (# of PAHs)	Physical Displacement (# of PAPs)	Economic Displacement (# of PAHs)	Economic Displacement (# of PAPs)	Total PAHs	Total PAPs
Syaksila	0	0	15	80	15	80
<b>TOTAL</b>	<b>22</b>	<b>109</b>	<b>313</b>	<b>1614</b>	<b>335</b>	<b>1723</b>

**Figure 3-1** below places these physically displaced households on a map for the purposes of visual representation.



**Figure 3-1: Location of Physically Displaced Households**

**Table 3-9** shows the percentage of resident households (i.e., those with primary residential structures located in the village) within each village that will be physically displaced by the Project. As physical displacement is limited in all but three villages (Chongrak, Sibrun, and Limbutar), the Project anticipates that community ties and social networks will remain intact as very few PAHs will be leaving each village, and the Project will seek a resettlement approach within village/ward for those eligible for replacement land (see Chapter 6). Sibrun has a moderately high percentage of total households in the village that will be physically displaced by the Project (14%), as well constituting 19% of the total physical displacement for the Project. The Project will therefore have to carefully consider the implications of this both in terms of social dislocation as well as feasibility of a resettlement approach within village/ward. In Limbutar, there are only six resident households constituting the entire village, and the Project will displace all six (100%). In Chongrak, the Project will displace 50% of the residential households. Therefore, the Project will carefully consider the level of extant social cohesion amongst these households and how their resettlement might affect this cohesion.

**Table 3-9: Percentage of Total Resident Households Physically Displaced by the Project**

Village of Parcel Location (which is also Village of Origin for Physically Displaced PAHs)	# Physically Displaced PAHs	# Resident HHs in Village <sup>41</sup>	% of Total Resident HHs Affected
Chepuwa	1	121	<1
Rukma	0	25	0
Namase	0	70	0
Hema	3	22	14
Sibrun	7	60	12
Jijinkha	0	6	N/A
Chongrak	5	10	50
Syaksila	0	135	N/A
Rapsa	0	50	N/A
Limbutar	6	6	100
Adima	0	No data	N/A
<b>TOTAL</b>	<b>22</b>	<b>-</b>	<b>-</b>

### 3.6 Displacement Impacts

The anticipated impacts resulting from the Project's land acquisition activities can be grouped broadly into three categories: (1) impacts to physical resources, (2) impacts to economic-productive resources, and (3) impacts to socio-cultural resources.

#### 3.6.1 Impacts on Physical Resources

##### 3.6.1.1 Loss of Residential and Non-Residential / Ancillary Structures

Physical displacement related to land acquisition will affect 22 households who currently live on residential plots within the Project area. These 22 households that will be physically displaced will lose 23 residential buildings, meaning one of these physically displaced PAHs has more than one residential structure on lands being acquired by the Project (see **Table 3-10**). In addition to these primary residential structures, the Project will displace 85 ancillary residential and productive structures (including latrines, workshops, sheds, and other storage).<sup>42</sup>

<sup>41</sup> According to the self-reported size of village by participants in community consultations conducted as part of the Project ESIA process, prior to initiation of RAP census activities in June 2019.

<sup>42</sup> Ancillary structures refers to any structure that is not inhabited by household members. Therefore, although some of these structures serve economic-productive purposes (e.g., livestock sheds, cardamom drying oven) and other serve residential purposes (e.g., latrines, storage), they are jointly considered under physical / structural losses, rather than economic losses in the Compensation and Restoration Matrix in Chapter 6.

**Table 3-10: Displaced Structures (Residential and Ancillary)**

Structure type	Number of structures
<b>Residential structures</b>	
Residential house	18
Residential house & home-based shop	5
<b>TOTAL</b>	<b>23</b>
<b>Ancillary structures (residential and productive)</b>	
Cardamom drying oven	12
Livestock shed	25
Toilet	13
Shed	8
Storage	13
Other	14
<b>TOTAL</b>	<b>85</b>

### 3.6.2 Impacts to Economic-Productive Resources

As described in Chapter 2, the primary productive activities in which PAHs are engaged include small-scale commercial activities and services, crop cultivation, and livestock raising. Since the Project is in a predominantly rural area, there are few parcels associated with tertiary-level economic activity (commercial or services) and none with secondary-level activities (manufacturing industries).

The impacts to economic-productive resources can be grouped into five categories:

1. Loss of agricultural land;
2. Loss of crops and trees;
3. Loss of access to communal natural resources;
4. Loss of ancillary agricultural infrastructure; and
5. Severance from land and other resources.

These will be dealt with in turn below.

#### 3.6.2.2 Loss of Agricultural Land

Most agricultural land affected by the Project will be permanently lost for agricultural production. **Table 3-11** shows the number of active agricultural plots that will be acquired (587 plots<sup>43</sup> owned by 335 PAHs), as well as details pertaining to other land uses of private lands to be acquired. The remainder of affected plots (118) are characterized by other land uses, including commercial, homestead, fallow, barren, grazing, and multiple). As shown, the villages with the largest numbers of agricultural parcels being acquired by the Project are Rukma, Namase, and Sibrun. All physically displaced households will also lose productive land, therefore they are included in the totals below.

<sup>43</sup> This is 581 privately owned plots, plus six government-owned plots on which PAHs are growing crops.

**Table 3-11: Land Loss by Land Use Type, by Owner's Village of Origin**

Village	Number of Agricultural Plots per Land Use Type						
	Under Cultivation	Commercial	Homestead	Fallow	Barren	Grazing	Multiple
Chepuwa	50	2	0	1	3	0	1
Chongrak	27	0	0	0	1	0	3
Hema	60	0	0	0	0	0	4
Jijinkha	50	0	0	2	0	0	16
Limbutar	11	0	0	0	1	0	5
Namase	123	0	0	0	2	0	4
Rapsa	9	1	0	0	0	0	2
Rukma	193	0	0	24	7	0	1
Sibrun	63	0	1	0	2	0	39
Syaksila	1	0	0	0	0	0	0
<b>TOTAL</b>	<b>587</b>	<b>3</b>	<b>1</b>	<b>27</b>	<b>16</b>	<b>0</b>	<b>71</b>

Whether or not landowners have alternate lands (i.e. lands in addition to those that the Project will acquire) is one critical indicator of resettlement-induced vulnerability (see Chapter 8) and the amount of replacement lands the Project may ultimately need to provide (see the Compensation and Restoration Matrix in Chapter 6). It is not possible at this time to determine alternative landholdings for all economically displaced PAHs, as the data provided by PAHs during the land and asset survey is not reliable.<sup>44</sup> However, **Table 3-12** below provides additional details for physically displaced households and shows that while some own alternative residences and lands, Limbutar is of concern given that they do not have any alternative landholdings. For those that do claim alternative landholdings, it will be important for the Project to determine (during individual compensation agreement negotiations) whether these remaining landholdings are sufficient to support their livelihoods. Specifically, the Project will need to 1) identify what livelihood the PAH wants to pursue, and then 2) examine the PAH's remaining / alternative landholdings to determine if the quality / quantity is sufficient to support that chosen livelihood. The aim of this exercise will be to obtain an understanding of the overall impact of the land loss for affected households and therefore the Project's obligations in terms of providing replacement land.

**Table 3-12: Physically Displaced Household Details**

Village	# of Physically Displaced PAHs	Remarks
Chepuwa	1	<ul style="list-style-type: none"> <li>This PAH has alternate house and land available in Chepuwa</li> </ul>
Chongrak	5	<ul style="list-style-type: none"> <li>3 PAHs have alternate house and land available in Syaksila</li> <li>1 PAH has alternate house and land available in Sibrun</li> <li>1 PAH has no alternate house; no landholding detail for this PAH was recorded in survey</li> </ul>

<sup>44</sup> During the Land & Asset Survey, ERM (ADMC) asked landowners to show their *Lal Purza* (i.e. individual land ownership document providing total land holding of that specific individual in the District) to record their total land holding in the survey form; however, this data is incomplete (as it only shows land within the District, not in other parts of the country) and not entirely reliable, as some PAHs may have been deterred from sharing this information due to perceived impacts on the compensation to which they would be entitled.

Village	# of Physically Displaced PAHs	Remarks
Limbutar	6	<ul style="list-style-type: none"> <li>None of these PAHs have alternate houses or landholdings</li> </ul>
Hema	3	<ul style="list-style-type: none"> <li>None of these PAHs have alternate houses; however, all have parents / in-laws that own land in the same village (Hema)</li> </ul>
Sibrun	7	<ul style="list-style-type: none"> <li>None of these PAHs have alternate house but all have other landholdings within in the district.</li> </ul>

### 3.6.2.3 Loss of Crops and Trees and Grasses / Fodder

Households will lose crops or trees on land as it is cleared for construction. This includes loss of permanent crops (such as fruit trees), multiannual crops such as cardamom, and also seasonal crops (although the Project will make every effort to facilitate harvesting of seasonal crops prior to taking possession of lands). **Table 3-13** summarises the crops that were recorded in the asset inventory during the two rounds of survey fieldwork (see Chapter 2.1 on timing and methodology of fieldwork). The most prominent crop is, overwhelmingly, cardamom, followed to much lesser extents by maize and millet.

**Table 3-13: Loss of Crops by Total Area and Total Production**

Crop Name	#PAHs	# Parcels	Total yield (kg)	Area (m <sup>2</sup> )
Beans	3	3	115	15
Cardamom	250	394	70227	546808
Colocassica	4	4	847	1143
Garlic	1	1	15	5
Kauli	1	1	50	70
Khursani	3	3	46	62
Maize	74	94	16115	98540
Millet	79	110	11272	92508
Mustard	1	1	100	1000
Mustard Broad Leaves	6	6	140	191
Onion	1	1	15	5
Phapar	2	2	29	250
Potato	19	20	3237	8382
Sisno	1	1	134	801
Soyabean	6	7	879	3029
Squash	1	1	350	10
Sugarcane	2	2	15	15
Tomato	4	4	24	20
Wheat	34	48	5288	29245
Yam	2	2	5450	273
<b>TOTAL</b>	<b>494</b>	<b>705</b>	<b>114,348</b>	<b>782,372 (78.2 ha)</b>



**Table 3-14** shows the fruit trees located on lands the Project will acquire. There are also 65 types of other (non-fruit) trees totalling approximately 3000 trees that, in the interest of space, are not included in this RAP but rather detailed in the valuation database.

**Table 3-14: Loss of Fruit Trees, by Total Production (kg)<sup>45</sup>**

Name of Fruit Tree	# of PAHs	# of Parcels	# of Trees
Banana	17	16	79
Bhakmilo	7	7	23
Bhogate	2	2	3
Guava	1	1	2
Jyamir	1	1	1
Lapsi	15	17	30
Naspati	1	1	1
Okhar	2	2	2
Orange	3	3	12
Sugarcane	2	1	2
Walnut	1	1	1
<b>TOTAL</b>	<b>52</b>	<b>52</b>	<b>156</b>

**Table 3-15** provides details concerning the primary uses for the non-fruit trees located on Project-affected parcels.

**Table 3-15: Uses of Non-fruit Trees Located on Project-Affected Parcels**

Non-fruit Tree Use	# of PAHs	# of Parcels
Furniture	194	286
Firewood	62	68
Multiple Uses	46	53
Non-timber forest products	27	30
Other	53	56
<b>TOTAL</b>	<b>382</b>	<b>493</b>

**Table 3-16** below shows the grasses / fodder that the Project will acquire.

<sup>45</sup> The valuation database outlines three categories of trees based on their maturity level.



**Table 3-16: Loss of Grasses / Herbs / Fodder**

Name of Grass/Herbs/Fodder	# of PAHs	# of Parcels	# of Plants
Amriso	10	8	123
Bamboo	2	1	2
Bori	2	1	2
Futa	2	1	2
Gagun	5	3	8
Ghansere	2	1	6
Ghass	2	1	7
Ghurmiso	2	1	1
Kalo Geda	2	1	7
Khanayo	11	9	45
Nigalo	4	3	15
Nimaro	2	1	9
Sikro Ghas	2	1	6
Sinkaulo	3	1	2
Sirlinge	2	1	8
Taki	2	1	4
Timur	12	11	20
Tussayo	2	1	1
<b>TOTAL</b>	<b>69</b>	<b>47</b>	<b>268</b>

### 3.6.2.4 Loss of Access to Communal Natural Resources

As reported in Chapter 2, PAHs reportedly access public community forests to collect wood for energy and furniture-making, and non-timber forest products (NTFPs) such as medicinal plants and edible forest products (e.g., mushrooms). As demonstrated in **Table 3-17** below, the impact of Project on these activities is not expected to be significant as the Project is only affecting approximately 1.4% of the community forests in the Project Area.<sup>46</sup> This means that PAHs who engage in NTFP extraction will still have access to remaining community forest area from which to obtain these products.

<sup>46</sup> Note: some of the villages indicated in this table are not affected by displacement, and therefore appear in the Project ESIA from which this table was sourced, but do not appear elsewhere in the RAP.

**Table 3-17: Community Forest Area to be Acquired**

Community Forest	Villages Using Community Forest	Number of Community Forest Users	Community Forest Area (ha)	Community Forest Impacts (ha)	Community Forest Impacts (% of total CF)
Him Shikhar	Namase, Hema, Sibrun	157	481	0.1	~0
Mak Palung	Rukma	27	731	19.6	2.7
Rupsali	Rapsa	55	3.5	0	0
Pari Parkha	Sibrun, Limbutar	54	3.9	1.9	48.7
Gorujure	Tunkhaling, Kapase	120	312	0	0
Pejung Danda	Chepuwa, Lingam, Gumba	145	495	14.4	2.9
Mahavir Thansingh	Hitar, Obak	93	500	0	0
Xulungma	Chyamtan	~135	90	0	0
<b>TOTAL</b>			<b>2,616.4</b>	<b>36.0</b>	<b>1.4</b>

### 3.6.2.5 Loss of Ancillary Productive Infrastructure

In terms of ancillary productive infrastructure, 25 livestock sheds and 12 cardamom drying ovens were reported in the asset inventory. Additionally, the asset inventory lists eight sheds and 13 storage structures which may be either for productive or residential use. These structures are all recorded in **Table 3-10** as this RAP considers all primary residential and ancillary residential and productive structures under 'physical structural losses' in the Compensation and Restoration Matrix (Chapter 6). No other ancillary productive structures such as grain stores were recorded in the asset inventory.

## 3.6.3 Impacts to Socio-Cultural Resources

### 3.6.3.1 Loss of Community Cohesion

The Project will, to the extent possible, opt for a resettlement approach within village/ward to allow PAHs to maintain their social networks and ties within their communities. While the topography of the Project area constrains the amount of agriculturally viable replacement land available for economically displaced households, the number of physically displaced PAHs in all villages except Sibrun and Limbutar is limited. This situation should enhance the Project's ability to pursue a resettlement approach within village, at least for physically displaced PAHs, thus reducing the loss of community cohesion. However, as mentioned above, the Project will physically displace approximately 50% of the households in Chongrak and 100% of the total resident households in Limbutar. It will therefore be necessary for the Project to carefully consider the implications of this both in terms of social dislocation as well as feasibility of a resettlement approach within village.

Loss of community cohesion not only results from disruption of social ties due to physical relocation; it can also be rooted in perceived inequalities in compensation received throughout the resettlement process. The Project will continue to conduct robust stakeholder engagement to inform all community members of the rationale behind the compensation and entitlements matrix in order to not undermine social cohesion and create sentiments of unfair treatment.

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### 3.6.3.2 Loss of Access to Infrastructure and Services

There are no communal buildings, health facilities, or infrastructure relating to places of worship in the Project area, and thus access to such facilities will not be affected. There are, however, primary schools in Sibrun and Rukma that the Project will indirectly affect. The Project ESIA lays out mitigation measures relating to these structures in Chapters 6.1 and 6.3, which include noise mitigation measures for the Sibrun primary school and relocation of the Rukma primary school.

### 3.6.3.3 Loss of Access to Cultural Heritage Resources

The cultural heritage resources within the Project area associated with structures are one *lungdarr* (a religious structure made of stones), one incense burning place, and one *stupa (gumba)* (structure made to commemorate a death). The Project will compensate for the costs associated with constructing these structures, in accordance with discussions with local authorities and PAHs during community consultations, and prior to implementation. Another cultural heritage resource is a *devithan* (a cultural heritage site), which is located within the Spoil Disposal #2 area (Namase). This is a cultural site which does not include any structure eligible for compensation; however, community consultations with the Namase community indicate that the community is concerned about indirect impacts on this cultural site. Given that this cultural heritage site is not located on land to be acquired by the Project, the mitigation measures designed to address such concerns are outlined in the Project ESIA (ESIA Chapter 7.3.15).

**Missing Households.** There are some households who could not be surveyed or not available. The UAHEP will undertake a separate survey and or advertise these missing people to trace them and complete survey and assist them in receiving the compensation. If these couldn't be traced, the compensation for these lands will be transferred into escrow account before taking over of those lands.

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## 4. RESETTLEMENT STAKEHOLDER ENGAGEMENT AND PARTICIPATION

It is important that all Project-affected communities are regularly informed of, and given the opportunity to comment on, Project activities being undertaken, including resettlement. The projects will ensure an in-depth exchange of views and information between the Project and the affected communities on matters such as the proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. Through this process of organized and iterative consultation, projects can ensure the substantive incorporation of feedback received into their decision-making processes, ultimately leading to more sustainable project outcomes to ensure communities understand the resettlement process, including planning before and monitoring and evaluation during and post implementation;

- Understand the impacts associated with displacement;
- Further minimize impacts, where possible, including losses of physical assets that would have to be replaced or compensated;
- Develop appropriate mitigation measures;
- Develop an entitlements matrix which is acceptable to affected communities;
- Discuss compensation rates and eligibility for entitlements;
- Discuss choice of replacement land and housing in the event of physical displacement;
- Discuss timing of and schedule for the resettlement process;
- Ensure households understand the role and potential application of expropriation proceedings;<sup>47</sup>
- Discuss resettlement and livelihood restoration measures;
- Ensure communities understand and know how to access the grievance redress process; and
- Establish mechanisms for monitoring and evaluation and for implementing corrective actions.

Throughout the engagement programme, the Project remains open to the input of any individual, group, or organization with a legitimate interest in the resettlement and livelihood restoration processes; however, it will focus particular attention on those people and households that directly affected by involuntary physical and economic displacement.<sup>48</sup> In addition, given that this Project involves a resettlement, there are further needs for robust stakeholder engagement. This includes internal coordination between the UAHEL and relevant governmental institutions involved in planning and implementing resettlement activities, the need to consider effective monitoring and evaluation activities, and further iterative processes of consultation with PAHs to ensure their informed participation and direct contribution to decision-making.

A standalone Stakeholder Engagement Plan has been prepped for project. Therefore, the focus in this chapter is restricted to consultations relating specifically to resettlement. The primary objectives of the resettlement-specific Stakeholder Engagement Plan (SEP);<sup>49</sup>

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<sup>47</sup> The Project will seek recourse to expropriation only if and when it is compatible with respect for FPIC processes (implemented by an independent third party).

<sup>48</sup> For the purposes of this Chapter and all policies / programs outlined herein, the term 'stakeholder' will follow the definition provided by the WB Environmental and Social Framework (of which the WB ESS form a part), wherein the term "stakeholder" refers to individuals or groups who: (a) are affected or likely to be affected by the Project (project-affected parties); and (b) may have an interest in the Project (other interested parties).

<sup>49</sup> Note: in addition to the resettlement-specific SEP discussed in this chapter, there is also a SEP for the broader UAHEL, developed as part of the ESIA process and contained within the ESIA document as an appendix. This broader SEP is compatible with and complementary to the resettlement-specific SEP in many ways; for example, the displaced population addressed in this RAP and targeted by this resettlement-specific SEP will have recourse to the same GRM as the broader Project-affected population, and will also access Project representatives through the same offices and communication methods as those laid out in the broader Project SEP. Both this broader SEP and the resettlement-specific SEP laid out in this RAP are living documents that will be modified as appropriate as the Project moves through its various stages.

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1. An overview of stakeholder engagement and participation efforts to date;
  2. A description of the engagement activities planned moving forward (as detailed in the SEP); and
  3. An explanation of the Project's Grievance Redress Mechanism (GRM).

It is important to note that the consultations presented in this chapter are only one of several engagement processes surrounding the UAHEP, as engagement is also being done with a broader population as part of the ESIA formation and approval process, as well as engagement relating to the creation of an Indigenous Peoples' Plan (IPP) as well as a third-party FPIC process. Where relevant, this Chapter will make reference to these processes in terms of both temporal sequencing and thematic overlap with the resettlement-focused SEP presented herein.

## **4.1 Objectives of the Stakeholder Engagement Plan**

The purpose of the resettlement-specific engagement activities has been (and will continue to be) to give communities affected by displacement an opportunity to:

1. Receive information on the development and implementation of the RAP, including timelines, process, and grievance submission options (see Chapter 5); and
2. Receive information and be given the opportunity to provide input on the content of the RAP, including resettlement strategies, compensation and entitlements, livelihoods programming, and other impacts / mitigation measures (such as impacts on social networks, community resources, and cultural heritage).

## **4.2 Overview of Stakeholder Engagement Efforts to Date**

### **4.2.1 Stakeholder Mapping**

In October 2018 (scoping fieldwork) and March 2019 (stakeholder mapping workshop) the Project undertook a stakeholder mapping exercise for the Project ESIA. While this exercise was not a resettlement specific stakeholder mapping, it nevertheless enabled the identification of the following stakeholders who are key to resettlement process:

- Households subject to resettlement (PAHs);
- Local governments of Bhotkhola Rural Municipality;
- Provincial, district, and national governments;
- Leaders and representatives of the municipalities / villages / Wards 2, 3 and 4; and
- Civil society organizations including the Federation of Community Forest Users Groups and Nepal Federation of Indigenous Nationalities.

The Project will continue, though the remaining engagement and negotiation processes outlined below, to identify and map out additional stakeholder sub-groups or potential 'special cases' that will likely merit specific attention; for example, families undergoing inheritance disputes or neighbours quarrelling over property boundaries.

Identifying and addressing such sub-groups and / or special cases will require:

- An in-depth analysis of all stakeholder groups' underlying needs and interests;
- A deeper understanding of internal sub-group dynamics to identify nuances therein that may require adjustments to the Project's stakeholder engagement strategy;
- Identification of potential 'influencers' within a given sub-group that can facilitate the productive participation of groups members in the RAP formulation process;
- Ensuring qualified and appropriate personnel are assigned to manage discussions occurring within a given sub-group; and

- 
- Using lessons learned from other projects to inform understandings of sub-group and ‘special case’ needs for the Project.

The identification of relevant sub-groups – such as vulnerable persons – has already occurred through analysis of land / asset and socioeconomic data presented in Chapter 2.

## 4.2.2 Engagement and Consultation

**Table 4-1** gives an overview of all resettlement-related engagements.

**Table 4-1: Summary of Engagement to Date**

	Engagement Details
Date, purpose, and location	<p><b>Initial Engagement During Socio-economic Census and Land/Asset survey</b></p> <ul style="list-style-type: none"> <li>- June / July 2019 – socioeconomic data collection for 237 PAHs affected by displacement.</li> <li>- November 2020 -- community consultations and collection of land ownership data and other information from local authorities.</li> <li>- February / March 2021 – collection of remaining socioeconomic and land ownership information for households not included previously.</li> </ul> <p>During the above engagements, the Project shared basic information about the Project, including the reasons for the impact study as well as details pertaining to the land / asset and socioeconomic study. Some resettlement related concerns were broached during these meetings (see Annexes A, B, and C to this RAP for engagement materials).</p> <p><b>RAP Consultations</b></p> <ul style="list-style-type: none"> <li>• 2 – 11 November 2020, consultations included meetings with all affected villages/PAHs attended by 213 local residents, and meetings with the District Revenue Office.</li> </ul> <p>These consisted of community consultations in each of the locations listed above. These consultations presented details specific to the RAP, including approach to vulnerability, compensation and entitlement, and livelihoods restoration. The engagement materials presented and minutes are available in the project Files.</p> <p><b>RAP (and ESIA) Disclosure</b></p> <p>These consultations provided further details on the RAP (as described above) in the form of formal disclosure (alongside the ESIA) on following locations</p> <ul style="list-style-type: none"> <li>• Rukma - 2078/08/24 (December 10, 2021)</li> <li>• Sibrun - 2078/08/24 (December 10, 2021)</li> <li>• Namase - 2078/08/25 (December 11, 2021)</li> <li>• Chepuwa - 2078/08/26 (December 12, 2021)</li> <li>• Khandbari District Administration Office (DAO) - 2078/08/26 (December 12, 2021)</li> <li>• Gola - 2078/08/26 (December 12, 2021)</li> <li>• Hatiya - 2078/08/26 (December 12, 2021)</li> </ul> <p>The summary of RAP, Livelihood restoration program, Executive Summary of ESIA were disclosed and key issues/provision were discussed. More than 224 participants participated in these consultations across all affected villages. A translator was made available to ensure communities understanding of proposed entitlements for effective feedback and suggestions for Final RAP. A provision made in RAP related to resettlement, land acquisition, Livelihood restoration program was shared to all affected villages.</p> <p>The major concerns from the PAPs were related to land acquisition to be based on productivity and fair market value, capacity building, guarantee work in the project, local hiring and procurement, local infrastructure development. The major concern was from Rukuma community where people were worried about the disturbance to the community from construction since most of the construction activities are nearby Rukuma villages and hence made request to the project to declare Rukma a 'sensitive' zone, and that if any</p>



	Engagement Details
	<p>physical relocation of houses is required in future, that the Project move the entire village to a safe place.</p> <p>It was clarified to Rukma villagers that the construction facilities are far enough from their houses and thus there will be no impacts to trigger physical displacement (excluding school). The Project will undertake measures proposed in ESIA to mitigate any impacts during construction. The corresponding contracts will include provisions to monitor and prevent any adverse construction impacts. The primary school will be relocated in appropriate area in consultation with the Rukma community before start of construction.</p> <p>The Annexes A-C for engagement materials are in the project files.</p>
RAP-relevant issues raised (and how addressed in the RAP)	<p>There were four major issues brought up repeatedly during RAP consultations (in addition to an additional concern raised by Rukma pertaining to their unique situation). The below outlines these major issues and how they were addressed in the RAP. Additional details are provided in the engagement minutes and summaries which are available in project files.</p> <ul style="list-style-type: none"> <li>PAHs expressed high levels of interest in the land acquisition process; however, several PAHs seemed to have high expectations of compensation amounts, based on precedents set by private (rather than state-run) hydroelectric projects in the area <ul style="list-style-type: none"> <li>This was addressed in the RAP through management of expectations through community consultations and clear explanation of how compensation will meet full replacement value in addition to a series of additional allowances and forms of assistance to ensure PAHs' livelihoods and standards of living are at least restored (but ideally improved) compared to pre-displacement levels.</li> </ul> </li> <li>PAHs expressed concerns about partial acquisition of their lands, leaving unviable parcels <ul style="list-style-type: none"> <li>This is addressed in the RAP through the policy that the Project will acquire parcels in their entirety where the remaining land is unviable to support PAH livelihoods. This determination will be made during negotiations with the PAH, and will be based on their livelihood type, the residual parcel remaining, and other relevant considerations (such as vulnerability within the household and PAH preference).</li> </ul> </li> <li>Some PAHs expressed concerns over recognition of informal land ownership in compensation frameworks. <ul style="list-style-type: none"> <li>This is addressed in the RAP through the recognition of informal land users as being entitled to various forms of compensation, as laid out in Chapter 6.</li> </ul> </li> <li>Women expressed concerns about their ability to benefit from the economic benefits of the Project, including livelihoods programming. <ul style="list-style-type: none"> <li>This is addressed in the RAP through provisions designed to equitably include women and other marginal groups in community consultations (see below) and in livelihoods programming (see Chapter 7). Further the RAP outlines incentives to encourage joint male-female ownership of lands (see Chapter 6)</li> </ul> </li> <li>Rukma community members expressed concerns about Project impacts and asked that – if they need to be relocated – that they be relocated as an entire community to an alternative location. <ul style="list-style-type: none"> <li>The Project will undertake continuous monitoring of construction work and adopt mitigation measures as proposed in ESIA. The school will be relocated in appropriate area in consultation with Rukma community before start of construction.</li> </ul> </li> </ul>

### 4.3 Overview of the Ongoing Resettlement Engagement Programme

The ongoing Resettlement Engagement includes the following:

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### 4.3.1 Engagement Meetings – Process and Objectives

Building on the exposure to RAP-related issues during the ESIA engagement, as well as the introduction of related themes during the survey / census activities, the Project undertook a series of additional steps, the specific objectives of which are detailed below. This process is also depicted graphically in **Figure 5-1** below.

1. **District workshop in Nepal and identification of potential implementation partners:** in November 2021, the Project hosted a consultation with UAHEL and district authorities including the District Coordination Committee (DCC), Chief District Officer (CDO), and representatives from Bhotkhola Rural Municipality. During this workshop, the Project presented key components of the RAP 'draft version for consultation' (namely, the Compensation and Restoration Matrix, the LRP, and the Assistance to Vulnerable Households programme) to aforementioned district authorities to ensure appropriateness and feasibility. The Project also used this workshop to determine which other steps of the RAP disclosure and community consultation process outlined below district stakeholders needed to be involved in.
2. **Community RAP Consultations:** the Project conducted a series of meetings (with communities as well as with sub-groups such as women) to discuss with PAHs how they view anticipated impacts related to resettlement and go over, in broad strokes, how compensation and restoration will work and how the process of land acquisition and compensation will proceed. These conversations were also used to discuss any other major concerns and expectations concerning the resettlement process and to better understand existing vulnerability at the household level, or vulnerability that might be induced or intensified as a result of the resettlement process. The Project also solicited PAH perspectives on replacement land locations / strategies (see Chapter 3). The outcome of these visits is that PAHs are aware of the process and understand that there are different categories of PAPs (physically displaced, economically displaced, physically and economically displaced, etc.) and that compensation and restoration measures will be equitable and defined according to impacts, but not identical across all PAHs.

These meetings **did not** provide details about specific entitlements for individual PAHs, but rather discuss the general categories and types of compensation and restoration measures. They also **did not** give specifics relating to compensation amounts for land, as determining these amounts is the exclusive purview of the CDC. The outcome of these meetings is that communities understood the initial RAP contents and were able to provide feedback on its content. The final RAP provisions will be disseminated to the PAPs after its approval and final disclosure by UAHEL. In addition, brochures will be distributed on key RAP entitlements and provisions.

3. **RAP Disclosure Meetings:** Having disseminated information about the draft RAP to the affected communities and incorporated their concerns, the Project presented the full draft RAP to affected communities, as well as to the DAO. The purpose of these meetings was to inform stakeholders of the developments in the RAP since consultations meetings, to ensure their acceptance, and to pave the way for negotiations under the LAA (1977) to proceed, as outlined below. Note: these meetings occurred in conjunction with ESIA Disclosure meetings.
4. **Initiation of the land acquisition process under the LAA (1977):** The Project coordinated with the CDO to initiate Section 9 of LAA, which formally sets in motion the land acquisition process and established the Project eligibility cut-off date of 2079/04/26 (August 11, 2022).
5. **Implementation of the RAP:** The Project will then begin to implement the RAP, either through internal capacity or via a third party and in close coordination with relevant government authorities and implementing consultant (see Chapter 10). Where necessary, certain components of the RAP – i.e., capacity building and training relating to livelihoods – will need to be initiated earlier in the process to ensure PAHs are given adequate time for both physical and economic transition. These details are outlined in Chapter 7 (Livelihoods Restoration Plan).

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The RAP implementation will start with the land acquisition process by CDC and subsequently UAHEL will undertake the livelihood restoration and resettlement activities. The consultation and dissemination process will be implemented along with all activities above. To ensure effective participation of women, youth, and other vulnerable individuals, the Project will organize meetings at times / in locations that a broad range of community members – including women and youth – could attend.

### **4.3.2 Process for publicizing engagement meetings**

In order to guarantee the smooth operation of the collective meetings, the Project delivered collective meeting invitations to the local authorities (i.e., Ward Chairs and local government) and any committees formed by the PAHs, e.g., *Matthilo Arun Sarokar Samiti* in order to convene the affected communities.<sup>50</sup>

The Project was clear in highlighting the importance of the participation of the households or other parties convened and specify the following aspects:

- Place, date, time, and duration of the meetings;
- Theme or topics to discuss and their respective agendas;
- General schedule of completion of the meetings; and
- Participants in the meetings.

### **4.3.3 Documentation and Reporting for Engagement Meetings**

For collective meetings, the Project prepared formal minutes of consultation proceedings (available in project files and stored in hard copy and electronic copies for future use and reference). The Project will maintain consolidated records of all consultations in the form of a matrix that includes, at a minimum:

- Dates of key meetings;
- Categories and names (if available) of attendees;
- Project responsible parties;
- Key issues and concerns;
- Outcomes; and
- Commitments or required follow-up.

### **4.3.4 Gender Considerations**

The impacts of involuntary physical and / or economic displacement can disproportionately affect women, as their unique role in the household means they may have more difficulties coping with the familial disruption that resettlement can cause than do their male counterparts. This is particularly the case if resettlement-related engagement efforts do not effectively enable women's meaningful and sustained participation throughout the resettlement process. Therefore, it is critical to mainstream gender considerations into all components of resettlement planning, including engagement processes. According to the WB, 'gender mainstreaming' is "the process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in all areas and at all levels. It is a strategy for making women's as well as men's concerns and experiences an integral dimension of the design, implementation, monitoring and evaluation of policies and programs in all political, economic and societal spheres so that women and men benefit equally and inequality is not perpetuated."<sup>51</sup> This RAP is sensitive to these issues, and thus seeks to substantively and equitably involve gender considerations into the SEP so that the unique needs and perspective of women are equitably represented in the compensation and restoration framework, grievance process, livelihoods

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<sup>50</sup> Matthilo Arun Sarokar Samiti is a committee formed by PAHs to represent a number of communities within the Project Area.

<sup>51</sup> World Bank. 2019. How to Ensure Better Outcomes for Women in Resettlement: A Toolkit. Washington, DC: World Bank Group.

programming, and vulnerability support programmes outlined in this document (Chapters 5-8). Actions to this end include:

1. Ensuring that household and community meetings are conducted at times and in locations that are convenient for women to attend;
2. Paying explicit attention to the unique constraints that female-headed households may face in participating in consultations, and accommodating these women accordingly;
3. Holding women-only focus groups and meetings, if and where appropriate, to encourage free speech and open representation of women's concerns and expectations;
4. Ensuring that *all* household members are involved in compensation agreement negotiations; and
5. Providing anonymous / confidential / one-on-one consultation mechanisms and / or mechanisms for written submission of comments for women who do not feel comfortable voicing their opinions publicly (i.e., in front of husbands or other relatives, or at community meetings).

By facilitating the equal and open participation of women in the resettlement SEP, the Project can ensure that women are able to fully benefit from both Project compensation and livelihoods restoration programming.

## 5. GRIEVANCE REDRESS MECHANISM

Grievance resolution is one of the most critical components of effective stakeholder engagement, particularly with regard to managing issues related to significant impacts such as resettlement. It is important to note that this GRM is not unique to resettlement-related claims, but rather is Project-wide.<sup>52</sup>

### 5.1 Objective of the Grievance Redress Mechanism

The main objectives of the GRM are:

1. To provide PAHs with consistent, transparent, accessible, time-bound, culturally appropriate, and credible procedures for resolving actual or perceived harm done to their well-being or their belongings as a result of Project land acquisition and resettlement activities, and for the settlement of disputes, including the possibility of third-party adjudication;
2. To identify and implement appropriate and mutually acceptable corrective actions to address complaints and to create outcomes that all parties consider realistic, fair, transparent, effective, and sustainable;
3. To build trust as an integral component of the Project's community relations activities; and
4. To avoid, wherever possible, the need to resort to judicial proceedings by effectively addressing grievances so that they can be resolved before they escalate into larger conflicts.<sup>53</sup>

To this end, the GRM comprises the following four basic components outlined in more detail below:

1. A **Project level, in-house** grievance resolution process for resolving grievances via direct contact between the complainant and the Project without involvement of formal grievance committees.<sup>54</sup>
2. An option to appeal to the **Local Grievance Committee**<sup>55</sup> if the resolution provided by the Project is not acceptable to the complainant;
3. An option to appeal to the **District Level Project Grievance Committee**; and
4. Remedies available through the judicial system (i.e., **District Court**), which is available to PAHs at any point, independent of the Project GRM.

As the following sections explain, each of these options is available to stakeholders at any time. The following sections describe common grievances to provide context, before moving into a description of how the GRM functions.

### 5.2 Likely Types of Grievances / Disputes

**Table 5-1** shows the types of grievances that are most common in resettlement planning and implementation. These are indicative and not meant to be exhaustive in nature, and some complaints will have an overlap with general community complaints regarding Project activities, particularly during the construction period.

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<sup>52</sup> The Project already has a GRM in place;

<sup>53</sup> These objectives are aligned with ESS 10, as described in Chapter 3.

<sup>54</sup> Even though this first component is preliminary and designed to deal with minor grievances in a more informal manner, the Project will nevertheless record and track such grievances as they will provide essential input to the monitoring and evaluation (and reporting) components of the grievance resolution process. The Project also may choose to consult with relevant stakeholders, including community members or councils, before providing a formal response.

<sup>55</sup> This Committee is also known as the Rural Municipal Grievance Committee; however, for the sake of simplicity, this RAP will only refer to the Local Grievance Committee.

**Table 5-1: Common Resettlement Grievances / Disputes**

Category	Examples of Grievances / Disputes
Planning	<ul style="list-style-type: none"> <li>■ Complaints about survey activities, including the quantity and/or value of assets surveyed and/or other household characteristics</li> <li>■ Complaints about scope/lack of information provided by the Project</li> <li>■ Claims of unfair exclusion from engagement activities</li> <li>■ Claims of damage during the survey process</li> <li>■ Complaints about prior notice before accessing individual property</li> </ul>
Entitlement Processing	<ul style="list-style-type: none"> <li>■ Misidentification of owner/occupier of eligible property assets</li> <li>■ Errors in counting or measuring crops and/or other property assets</li> <li>■ Complaints about compensation entitlement rates</li> <li>■ Complaints about the entitlement policy</li> </ul>
Resettlement Site Construction	<ul style="list-style-type: none"> <li>■ Employment and recruitment policies</li> <li>■ Damage to roads and local infrastructure caused by resettlement construction activities</li> <li>■ Traffic accidents</li> <li>■ Incursions, damage to crops or property outside of the construction works area</li> <li>■ Gender based violence</li> <li>■ General safety issues</li> <li>■ Consideration for social and cultural norms and practices</li> <li>■ General noise, dust, and environmental impacts to the community</li> </ul>
Replacement lands	<ul style="list-style-type: none"> <li>■ Defects/problems with buildings and plots</li> <li>■ Poor soil fertility/quality or other complaints about the physical infrastructure available on resettlement plots, such as access to water for agriculture/animal husbandry or human consumption</li> <li>■ Management of community infrastructure</li> </ul>
Livelihood Restoration	<ul style="list-style-type: none"> <li>■ Complaints about the allocation of livelihood opportunities</li> <li>■ Delays or problems in the quality of inputs and/or technical assistance provided by the Project in support of livelihood restoration</li> <li>■ Complaints about training, employment, and recruitment procedures</li> </ul>
Other	<ul style="list-style-type: none"> <li>■ Dissatisfaction with other aspects of the resettlement implementation process</li> <li>■ Project worker behaviour</li> <li>■ Fraud, corruption and extortion</li> </ul>

### 5.3 Overview of the Grievance Redress Mechanism

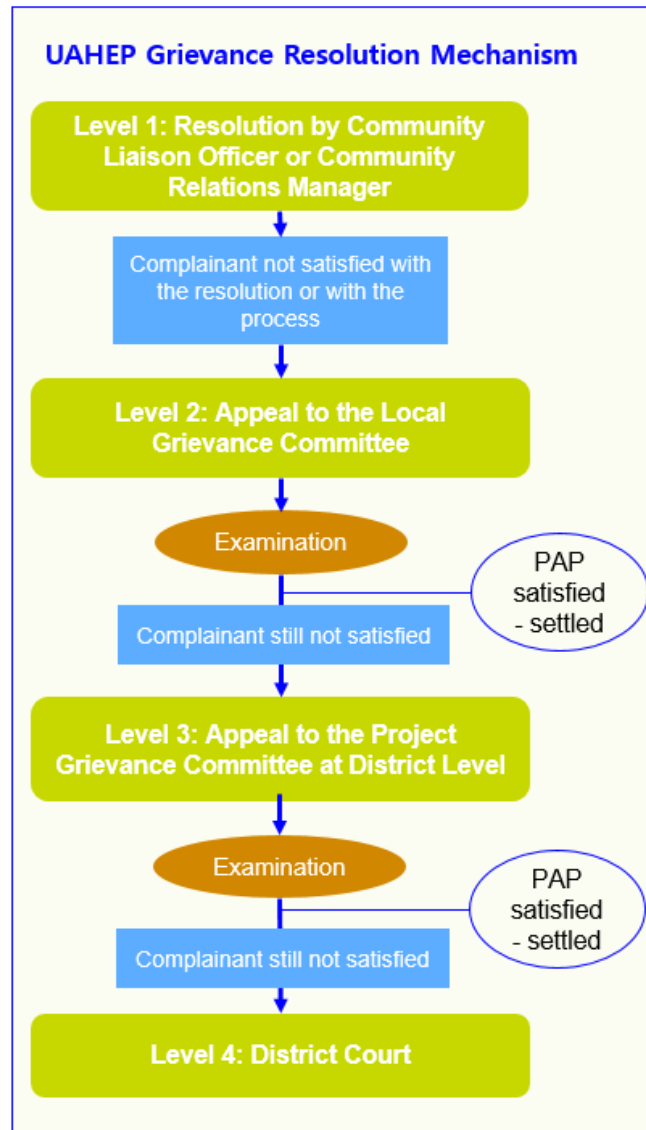
As mentioned above, the GRM system consists of the following four stages of grievance management:

1. The first stage of this resettlement-specific GRM comprises a Project-level, **in-house resolution process**, in which a stakeholder brings forward his/her concern for discussion with Project's community representatives via grievance boxes placed around the communities (see Table 5-2, below), over the phone, via mail, or in-person at the Project Information Centres (PIC)<sup>56</sup>, which is currently located in Gola (although the Project is considering additional locations). Here, a UAHEL Community Liaison Officer (CLO) will attempt to resolve the issue in coordination with the Project team. There will be four members (both men and women) in in-house resolution process and these members will be appointed by Project Manager. To date, the Project has entered grievances that has been received through grievance boxes into an excel sheet and shared this excel with the Project team. The Project team has an internal grievance documentation and response process wherein each grievance is written down manually and stored in hard copy.<sup>57</sup> It is expected that the majority of concerns will be heard and resolved internally through such in-house interactions. If this in-house process does not resolve the issue satisfactorily, complainants will be encouraged to make use of any of the other channels presented below.
2. If the complainant is not satisfied with the decision provided by the Project, the Project will forward the grievance to the **Local Grievance Committee**. There will be five members in Local level Grievance committee. The members of this Committee include the one Project CLO, one project Social specialist, one rural municipality official, one community representative, and one-woman representative to speak on behalf of project-affected households. The members will be appointed in consultation with concerned stakeholders. The Project expects that this mechanism will successfully resolve most outstanding substantive grievances.
3. The third stage of the GRM is appeal to the **District Level Project Grievance Committee**. There will be five members in District level Grievance committee. The members of this committee include the one project Manager, one ESHS Manager, an official from the District Administration Office, one community representative and one woman representative to speak on behalf of project-affected households. The member will be appointed in consultation with concerned stakeholders. The above three stages comprise the non-judicial grievance management process available to stakeholders. At any time, however, complainants have the option of entering the formal judicial system through lodging a complaint with the judicial **District Court**. (see **Figure 5-1**)

<sup>56</sup> Note: in other Project documentation, i.e., the ESIA, these offices may be referred to as 'Community Liaison Offices'.

<sup>57</sup> It should be noted that there are plans to digitalize this process in the near future.





**Figure 5-1: The UAHEP Grievance Redress Mechanism**

As defined in the introduction, the UAHEP GRM is not designed only to address grievances – i.e., complaints / concerns – about the Project's staff, activities, and / or impacts. It is also intended to record and track suggestions, requests for information, and other more benign direct interactions with community members. It is important that these more benign requests / suggestions are not escalated beyond Stage 1 of the GRM as described above, as that would risk bogging down the Local Grievance Committee and, possibly, the District Grievance Committee with simple requests not requiring deliberation, thus preventing them from deciding on more contentious Project-related issues. While requests for information and other considerations will still therefore be managed through this GRM, Stages 2 to 3 of the GRM should be resolved primarily for issues that cannot be solved by full disclosure of information about details of the resettlement process.

### 5.3.1 Grievance Submission Options

As mentioned above, any individual or group may submit resettlement-related grievances via grievance boxes placed around the Project-affected communities, each of which has an assigned dropbox custodian from the community (see **Table 5-2**, below). The Project determined the appropriate location of these boxes through consultation with affected communities and local government representatives as part of the ESIA process. PAPs can also submit grievances over the phone, mail them to one of several designated sites, or present them in-person at the PIC in Gola. The grievance boxes and option to mail the complaint give those who do not wish to include their name on the grievance the opportunity to submit them anonymously.

**Table 5-2: Grievance Dropbox Locations**

Affected Rural Municipality / Ward	Settlement Name / Dropbox Location	Dropbox Custodian
Bhotkhola Rural Municipality/ Ward no. 4	Gola / PIC	Community Liaison Officer
Bhotkhola Rural Municipality/ Ward no. 4	Gola	Rural Municipality Secretary and Ward Office personnel
Bhotkhola Rural Municipality/ Ward no. 4	Hima	Chandra Bahadur Tamang
Bhotkhola Rural Municipality/ Ward no. 4	Namase	Teshi Bhote, Ward Member
Bhotkhola Rural Municipality/ Ward no. 4	Sibrun	Bhim Bahadur Tamang, Ward Member
Bhotkhola Rural Municipality/ Ward no. 2	Chepuwa	Nadar Bhote
Bhotkhola Rural Municipality/ Ward no. 2	Rukma	Tashi Bhote, Ward Member
Bhotkhola Rural Municipality/ Ward no. 2	Lingham	Bhotkhola Rural Municipality/ Ward no. 2 Secretary and Ward Office personnel

In the event that a grievance is presented verbally in the field, the recipient should forward the grievance (verbally, or in writing) to the Project's engagement team, who will assign it to a CLO on the same day for review and filing into the Project's grievance Information Management System (IMS).<sup>58</sup> The CLO to whom the grievance is assigned will put verbally submitted grievances into writing, and process them in accordance with the procedure of written requests. The CLO will also relay such grievances to the Company's legal team.<sup>59</sup> Written grievances (i.e., those which are filed in writing by the petitioner at a CLO or submitted via grievances boxes or mail), will be similarly reviewed, filed into the Project's IMS, and subsequently sent to the Company's legal team.

<sup>58</sup> As mentioned above, this system currently consists of manual, hard copy tracking of grievances; however, the Project has plans to digitalize this in the future. The Project will also make increased use of a standardized form for tracking grievances, which includes the ability for CLOs to easily indicate when a grievance is resettlement-related. This will facilitate easier monitoring and evaluation, as well as internal / external reporting, as called for in Chapter 10 ('Project Implementation').

<sup>59</sup> In the case of informal grievances, written record of the grievance is only included in the individual's file (not forwarded to the Company's legal department, as outlined above).

### 5.3.2 Grievance Redress process

The following steps constitute the process for acknowledging, investigating, responding to, and ultimately resolving Project-related grievances (see **Figure 5-2**).

1. **Receive, register and acknowledge the grievance.** Upon receiving a grievance, the responsible CLO will provide the complainant with a verbal acknowledgement of the receipt of the complaint within three working days (phone call, text message, or a meeting) and a written acknowledgement within seven working days (email, letter), as appropriate. This acknowledgment will include:
  - Brief summary text explaining the complaint resolution process;
  - Details of the grievance being registered;
  - Grievance reference number;
  - Date the grievance was lodged;
  - Name of the complainant, if not anonymous; and
  - Name of the person who received the grievance.

The acknowledgement will include the grievance number so the complainant can use as reference to track the status of their complaint. If the recipient of the grievance does not understand the grievance or if they require additional information, they will seek clarification from the complainant at this point. The individual receiving the grievance will archive all information in hard copy, and log it electronically via an Excel tracking sheet or other IMS for logging grievances, archiving records, and tracking progress.

2. **Screen and assess the grievance.** The CLO receiving the grievance will screen and assess the grievance within 10 working days of receipt.
3. **Determine if local resolution (i.e., via the GRM) is possible, and assign responsibility.** The recipient of the grievance will determine if the grievance is related to the Project development and therefore can be resolved locally (i.e., by the Project via the GRM, as opposed to via referral to an external agency) – if so, the recipient of the grievance will assign responsibility for the grievance before proceeding to Step 4 below. The Project will categorize the severity of grievances according to the following schema:

*Level 1 Grievance:* A complaint where potential impacts and/ or consequences are low that can be resolved quickly (e.g., Project construction vehicle damaging a local family's fences or cattle).

*Level 2 Grievance:* A complaint which is widespread and repeated (e.g., dust from construction vehicles).

*Level 3 Grievance:* A complaint that could potentially result in a serious breach of UAHEL policies or National law or affect UAHEL and Project image and performance (e.g., inadequate waste management).

Note: The Project will consider any grievance involving allegations of gender-based violence as a Level 3 grievance and will give it the highest priority possible within the mechanism.

If the grievance is not related to the Project, then the CLO will reject the complaint and communicate this decision to the complainant with a clear explanation. The CLO will also refer the complainant to other government departments, organizations, or judicial committees within the locality as appropriate. This constitutes part of the 'screen and assess the grievance' process so will also occur within 10 days of receipt.

4. **Develop a resolution with complainant.** For Level 1 and Level 2 grievances, grievance resolution is reached in consultation with the complainant no later than 14 working days after screening and assessing the grievance. The responsible CLO shall seek input from relevant rural

municipality officials or authorities, as well as project personnel as necessary and will also ask complainant for written acceptance of the resolution (or verbal if the complainant has difficulty reading and / or writing). A senior Project Team Member (internal to UAHEL) will sign off on Level 1 grievances while the Project Director will sign off on Level 2 grievances. As mentioned above, if the complainant remains unsatisfied with the proposed solution, they reserve the right to escalate (or request escalation) of the grievance through the subsequent three stages of the GRM outlined in **Figure 5-1** above, until an acceptable solution is reached. Level 3 grievances – in particular those relating to gender-based violence, sexual exploitation or abuse – will be escalated immediately upon receipt, and the Project will reach resolution in such cases within one working week (approximately 3-5 days). These grievances will be signed off by a senior UAHEL Project Team Member.

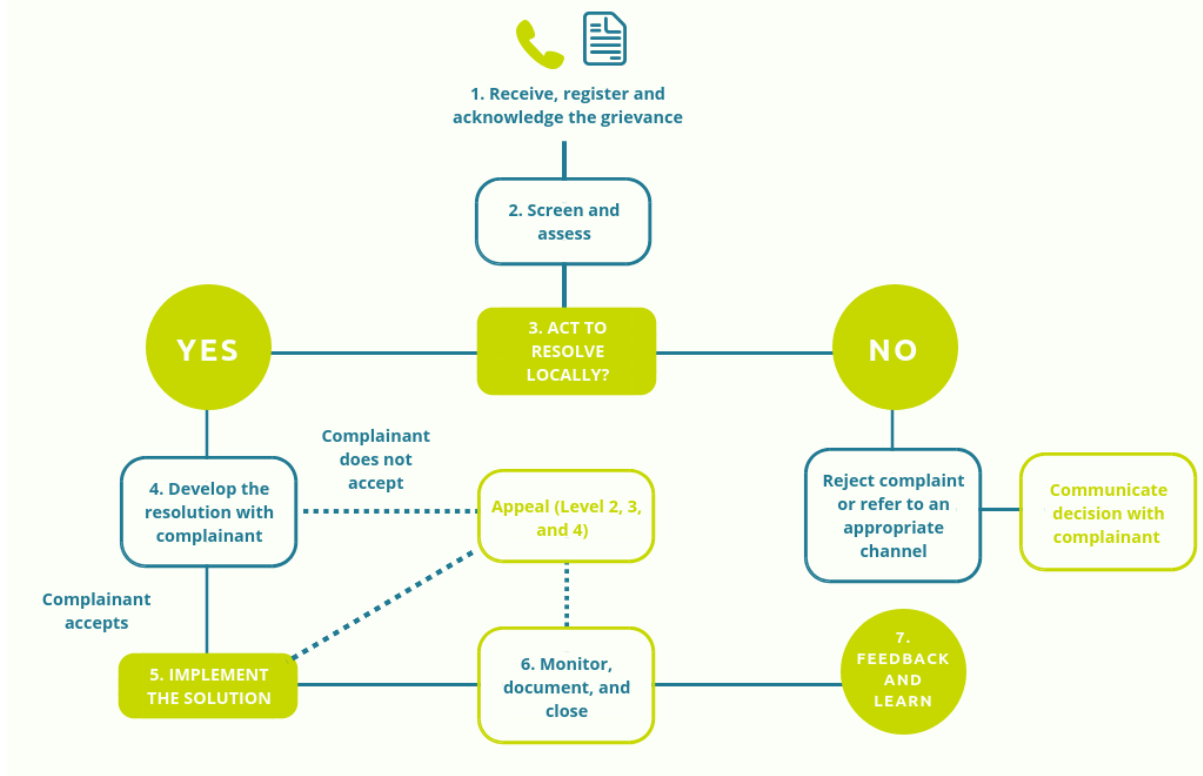
5. **Implement the solution.** Once the resolution is accepted by the complainant, the Project will implement the solution. For relatively simple grievances, the Project will aspire to implementing the solution within 20 working days of assessing the grievance. For more complicated grievances that take longer to address, or for which the complainants are not satisfied or additional corrective actions are required, the CLO will inform the complainants of the progress on a regular basis until the solution is successfully and fully implemented. For more urgent grievances (i.e., Level 3 grievances and / or those relating to gender-based violence, sexual exploitation or abuse), the Project will seek to implement solutions within one working week (approximately 3-5 days).
6. **Monitor, document the grievance resolution process and close the grievance.** Once the Project implements the solution, the responsible CLO will inform the complainant and confirm that the complainant is satisfied with the resolution and will track and monitor this interaction. They will also obtain sign-off from the required authority (senior level Project Team Member for Level 1 grievances, Project Director for Level 2 and 3 grievances), thus closing out the grievance. If further attention is required the grievance / complainant will return to Step 2 for re-assessment or to Step 4 for appeal, as the case may be.
7. **Receive feedback and learn from experience.** All correspondence related to the grievance must be documented for monitoring, reporting, and learning to drive continual improvement. This process is expanded upon below.

**Table 5-3** serves as a quick-reference guideline for the estimated timelines detailed in the above process.

**Table 5-3: Grievance Mechanism Response Times**

Grievance Process Step	Timeline (Working Days)
Receive, register, and acknowledge grievance	Verbal acknowledgment within 3 days of receipt; written acknowledgment within 10 days of receipt
Screen and assess grievance (including assigning responsibility if a valid Project-related grievance, or referral to outside agency if not)	Within 10 days of receipt
Reach resolution with complainant	Within 14 days of screening and assessment for Level 1 and Level 2 grievances Within 3-5 days for Level 3 grievances
Implement solution	Within 20 days of reaching resolution for Level 1 and Level 2 grievances Within 3-5 days of reaching resolution for Level 3 grievances
Total duration of grievance process:	44 days (Level 1 and 2 grievances) 16 to 20 days (Level 3 grievances)

# UAHEP Grievance Procedure



**Figure 5-2: UAHEP Grievance Procedure**

### 5.3.3 Monitoring and evaluation of the Grievance Redress Mechanism

The Project more broadly maintains a grievance database, which allows for effective functioning of the grievance resolution process outlined above to be regularly monitored and evaluated. Internally, the Project monitors grievance resolution timeframes through regular meetings between the Community Engagement Team (including the Resettlement Coordinator, CLOs and / or other Project Team Members as appropriate). These meetings serve as a space in which the relevant team members can review open grievances and discuss emerging issues. The participants in these meetings are responsible for developing responsive measures in close coordination with resettlement coordinator, for example, adding more staff where grievance volumes are causing consistent delays in resolution.

As Project-related grievances accumulate, the Project's legal team will prepare monthly reports on the management of grievances in order to establish corrective and preventive actions on the aspects that occur with the greatest recurrence in the GRM. They will also make these reports available to internal reviewers and external auditors as a component of the regular evaluations that will be conducted for the overall resettlement process (see Chapter 9 on monitoring and evaluation).

All the above GRM committees will be in place within three months of RAP approval and will be notified to the affected communities in all villages. Any complaints in the interim will be dealt directly by UAHEL.

## 6. COMPENSATION PAYMENT AND RESETTLEMENT IMPLEMENTATION

This chapter first briefly highlights the guiding principles of the Project's approach to compensation, restoration, and resettlement, outlines the Project's resettlement strategy, and provides a brief overview of typical resettlement 'packages' (**Table 6-1**) that PAHs would receive, depending on the type of displacement to which they are subject. This chapter then presents the Project's full compensation and restoration matrix in **Table 6.2**.

### 6.1 General Principles

The following are the broad principles adopted for compensation payment and resettlement implementation.

- Provision of timely compensation for loss of assets at replacement cost;
- Preference for land-for-land compensation where livelihood economic activities are land-based;
- Development of a LRP to assist PAHs in their efforts to improve, or at least restore, their livelihoods and living standards;
- Assist PAHs identified as vulnerable throughout the land acquisition and livelihood restoration process; and
- Reflect issues pertaining to gender equality and social inclusion in the RAP, including in compensation and restoration approaches.

The following sections demonstrate the various ways in which the Project has incorporated these guiding principles into the compensation, restoration, and resettlement approaches outlined below.

### 6.2 Resettlement Implementation

For the physically displaced PAHs, the Project will provide resettlement options as described in entitlement matrix (table 6-2).

### 6.3 Typical Resettlement 'Packages'

**Table 6-1** shows additional resettlement and rehabilitation support that a typical PAH will receive, depending on whether they are physically or economically displaced.. However, the precise nature of the compensation and restoration to be provided to each PAH will be based on both the conditions and individual preferences of PAHs. Generally speaking, each PAH is entitled to compensation (whether cash or in-kind) for any assets lost, as well as other forms of support required to ensure the resettlement process meets the ESS 5 principles discussed above.

**Table 6-1: Additional Resettlement and Rehabilitation Support depending**

Type of Displacement	Additional Resettlement and Rehabilitation
Physically Displaced	<ul style="list-style-type: none"><li>- House Construction Allowance</li><li>- Food security allowance</li><li>- Transportation allowance</li><li>- Rental allowance</li><li>- Salvage of materials (residential &amp; productive assets)</li><li>- Land transaction assistance (costs, taxes &amp; legal assistance)</li></ul> <p><b>If HH has vulnerable member, also eligible for:</b></p> <ul style="list-style-type: none"><li>- AVH programming</li><li>- Vulnerability allowance</li></ul>

Type of Displacement	Additional Resettlement and Rehabilitation
<b>Economically Displaced</b>  Those who do not have sufficient land to support their livelihood	<ul style="list-style-type: none"> <li>- Food security allowance</li> <li>- Transition allowance</li> <li>- Allowance to re-establish alternate location Lumsum (Only for Land-lease holder)</li> <li>- Participation in livelihoods programming</li> <li>- Community Assets Restoration Programming</li> </ul> <b>If HH has vulnerable member, also eligible for:</b> <ul style="list-style-type: none"> <li>- AVH programming</li> <li>- Vulnerability allowance</li> <li>- Priority access to livelihoods programming</li> </ul>

**NOTE:** Criteria for eligibility for economic rehabilitation support: PAHs who lose more than 20% of their agricultural land or whose remainder land will be less than 3.5 ropani.

## 6.4 APPROACH TO VALUATION

The process for valuation of land, crops, trees and other impacted assets is described below.

### 6.4.1 Land Valuation

ADMC first divided land into the following types of land to reflect the different values for each:

1. Cardamom land
2. Bari Land
3. Khet land
4. Homestead (Bari) land
5. Kharbari (Pakho) land
6. Road-touched land (near Koshi-Kimathanka road)

To determine the value of each type of land, the Project utilized the comparative approach to land valuation which derives the unit cost from a number of sources, including:

1. Recent compensation rates paid by three nearby projects;
2. Land value based on market rate; and
3. District Land and Revenue Office (DLRO) land rate (fixed annual land valuations depending on land category).

### 6.4.2 Structure Valuation

The Project determined the valuation rate for rebuilding Project-affected structures by doing the following:<sup>60</sup>

1. Collecting primary data in the field (photographs, videos, measurements) for all structures to determine:
2. Consulting with District-level authorities to collect most recent rates of building and construction materials;

<sup>60</sup> The Project determined these rates in cooperation with ERM and ERM's subcontractor ADCM.



3. Confirming the above by interviewing local shopkeepers and customers in nearby markets such as Num Bazaar and Khandbari;
4. Consulting with local construction companies to determine availability and costs for construction materials (i.e., concrete, brick, wood, iron, corrugated iron sheets) and skilled / unskilled construction labour; and
5. Conducting a comparative assessment of above cost information, including costs for transportation of materials where necessary.
6. The Project will not take depreciation (i.e., the age or current condition of the structure) into account when determining the compensation amount for structures. The compensation amount is sufficient to replace a similar new structure (see rates in 10.5).

### **6.4.3 Crops, Trees and Grasses / Herbs / Fodder Valuation**

The Project's approach to determining the valuation rates for crops, trees, and grasses / herbs / fodder will be defined based on district rates determined by the concerned competent authorities, CDC which are equivalent to the full replacement cost.

## **6.5 COMPENSATION MATRIX**

**Table 6-2** below offers a more detailed overview of the compensation and entitlements applicable to each type of loss (i.e., loss of structures, loss of land, economic losses). The following sections present two types of considerations (temporary land access / disturbance and gender) that affect the application of the Compensation and Restoration Matrix (Sections 6.5.1 and 6.5.2), followed by the presentation of the Matrix itself in Section 6.5.3.

### **6.5.1 Considerations for Temporary Land Access (i.e. Land Disturbance)**

Lands only required temporarily for reasons of land access or disturbance (i.e., construction-related area of disturbance or a RoW) will only be acquired permanently if the disturbance is such that the land is no longer viable for its original purposes following the end of the construction phase. The Project will identify (in communication with construction contractors and Project engineers) the potential for such irrevocable alterations to the land and addressing them through negotiated compensation with the affected PAH at the earliest opportunity.

### **6.5.2 Gender and Additional Vulnerability Considerations**

The Project is cognizant of the potential for land and asset compensation to differentially affect men and women. This is largely because assets tend to be registered in the man's name and, even in cases where they are registered in the woman's name, typically the male heads of households make the economic decisions for the family. As revealed in focus groups and KIs, women are more likely to opt for in-kind compensation (i.e. replacement land) than are their male counterparts, and worry that men will opt for cash compensation and then spend the money on things that do not benefit the household more broadly. While the Project cannot compensate at the individual level due to legal restrictions surrounding land / asset ownership as well as cultural norms surrounding economic decision-making, the Project has incorporated the following gender considerations into its Compensation and Restoration Matrix.

In male-headed households where compensation for land, structures, and /or productive assets are likely to be attributed to the male household member, the Project will:

1. Assist in opening a joint bank account (husband / wife, brother / sister, etc.) for any PAH accepting cash compensation.
2. Emphasize benefits of government tax incentives for PAHs willing to register replacement land in both the wife and husband's name; and



3. Offer a small incentive (5% of land value / size) for PAHs willing to register replacement land in both the wife and husband's name.

While such measures cannot entirely counter cultural norms surrounding households' economic decision-making power, it will give women legal claim to land and other resources and access to and knowledge of any cash compensation received, which may mitigate any tendency towards inequitable spending. These mitigation measures were discussed at a high level in consultations, but specifics (i.e. amount of incentive) were not. The Project will share these details with PAHs during individual contract negotiations.

In terms of livelihoods restoration, the Project will also aspire towards ensuring that women constitute at least 50% of all livelihoods trainings and will work with local authorities and communities to overcome barriers to this resulting from the differential labor profiles of men and women within their households (see Chapter 7 for a discussion of livelihoods).

Community consultations did not reveal concerns about any additional gender-related issues such as inheritance disputes, or the potential for cash compensation to lead to the abandonment of women. However, the Project will continue to investigate such potentialities during the individual compensation agreement negotiation process, and will develop strategies to mitigate these risks accordingly through conversation with the PAHs and local authorities / support networks.

Finally, Chapter 8 discusses some of the unique vulnerabilities of women affected by the Project (for example, female-headed households) and outlines some resources the Project will make available to ensure these vulnerabilities are not worsened by displacement.

Another vulnerability that is of immediate concern to the Project is that of land speculation – during the community consultations some households expressed concern that wealthier families (whether local or external to the Project Area) were purchasing (or intended to purchase) the lands of poor, indebted households for very low prices (i.e. less than market value) in order to sell them back to the Project for a profit. Although there was no evidence of this having yet occurred, and the Project clearly explained the compensation process and valuation methods during community consultations, the Project will have to be wary of this and closely evaluate any PAHs claiming land ownership and seeking compensation who were not the owners of the land at the time of the land and asset survey (which, as outlined throughout this paper, does not constitute a formal cut-off date). The Project recommends that the Project identify and contact the seller of the land to ascertain the price paid for the land and ensure that they were not made vulnerable by the land acquisition. The Project will also consider including such PAHs in the livelihoods programming and offering other forms of assistance to the affected PAH.

#### *6.5.2.2 Priority for Replacement Lands*

There is a scarcity of viable replacement land in the vicinity of the Project. (i.e., provision of replacement land) wherever possible, and demand under certain circumstances (i.e., in instances where the failure to provide replacement land will prevent the Project from restoring a PAH's pre-displacement standard of living and / or create or exacerbate vulnerabilities amongst the Project-affected population). Therefore, the Project will assign priority to replacement lands according to the following:

1. PAHs subject to physical displacement with no access to alternative lands with secure tenure within the District;
2. PAHs subject to economic displacement with no access to alternative lands with secure tenure within the District;
3. PAHs classified as vulnerable (see Chapter 8);
4. PAHs losing enough land that residual land is unviable to support livelihoods within the District (depending on their livelihood and quality of remaining land); and
5. PAHs losing more than 50% of their land within the District.

### 6.5.3 Compensation Matrix

The following table (**Table 6-2**) summarizes the full range of compensation and restoration benefits to which displaced PAHs are entitled. The table is divided into the following categories: 1) loss of residential and / or productive structures; 2) loss of land; 3) loss of economic activities / income; 4) Potential exacerbation of conditions of vulnerability, by type of resettlement and 5) Loss of access to community Resources. The table below should be read in conjunction with the additional details provided in this chapter and throughout the RAP.

Compensation for damage to structures, crops, or other assets resulting from construction activities (e.g., blasting, grading) will be the responsibility of the contractor, with oversight by UAHEL. In case of impacts to house and assets and agricultural land during the construction, compensation will be paid based on the district rates fixed by the Competent Authorities, CDC within three months of the receipt of complaints. UAHEL will include this requirement in the contractor bid documents as needed.

**Table 6-2: Entitlement Matrix**

No.	Type of Loss	PAH Category and Eligibility	Entitlements	Details
1	Loss of Houses and other Structures	<p><b>PAH category:</b> Owns land and structure(s)</p> <p><b>Eligibility:</b> Be the owner of land and structure(s)</p>	<p><b>Option 1:</b> Cash payment of equivalent value to the structure(s) being lost valued as new.</p> <p>Capital gain tax, if applicable will be paid by UAHEL.</p> <p>PAH can recover salvageable material with no deduction to entitlement / valuation of structures.</p> <p>Transfer costs (dismantling, packing, and moving of salvageable goods / materials) to alternative residence.</p> <p>House construction Allowance<sup>61</sup>: NRs. 800,000 or 50% of value of acquired structure whichever is higher.</p> <p>Six Months of time will be provided for construction of house after compensation payment.</p> <p><b>Option 2:</b> Construction of house by UAHEL with same size and quality subject to the minimum national standards as prescribed by NRA in land provided by UAHEL within the village/ward<sup>62</sup> <b>OR</b> in the PAH's own land<sup>63</sup> based on PAH preference<sup>64</sup></p> <p>Allowance(s), as appropriate based on household characteristics (see Chapters 7 and 8).</p>	Other structures include ancillary structures for residential use (e.g., storage sheds), and productive structures (e.g., livestock sheds, fencing, cardamom drying ovens, irrigation systems, etc.).

<sup>61</sup> If the PAH have alternative house, the House construction Allowance will be awarded once the evidence of alternative house/buying house is provided to UAHEL. For the PAH who don't have alternative house and need to construct alternative house, the 1st installment will be before the House construction, 2nd installment will be provided after the completion of DPC (Damp proof course) level, and 3rd installment upon completion of new house.

<sup>62</sup> UAHEL will provide land with security of tenure of equal size and quality of the impacted land within the same village/ward. If land for relocation is not available within the same village/ward, relocation within same municipality will be considered in consultation with concerned PAH.

<sup>63</sup> If PAH opts only for a constructed house in lieu of compensation for structure, s/he will be provided with equivalent size of constructed house subject to minimum NRA prescribed size and standards (in this case compensation for land will be provided).

<sup>64</sup> The options from PAHs will be obtained in writing prior to payment of compensation and the minimum size house plot and constructed house will be notified.

No.	Type of Loss	PAH Category and Eligibility	Entitlements	Details
		<p><b>PAH category:</b> Non-title holding occupant<sup>65</sup></p> <p><b>Eligibility:</b> Owner of the structure(s)<sup>66, 67</sup></p>	<p><b>Option 1:</b> Cash payment of equivalent value to the structure(s) being lost valued as new.</p> <p>Capital gain tax, if applicable will be paid by UAHEL.</p> <p>PAH can recover salvageable material with no deduction to entitlement / valuation of structures.</p> <p>Transfer costs (dismantling, packing, and moving of salvageable goods / materials) to alternative residence.</p> <p>House construction Allowance<sup>68</sup>: NRs. 800,000 50% of value of acquired structure whichever is higher.</p> <p>Six Months of time will be provided for construction of house after compensation payment.</p> <p><b>Option 2:</b> Construction of house by UAHEL with same size and quality subject to the minimum national standards as prescribed by NRA in land provided by UAHEL within the village/ward<sup>69</sup> based on PAH preference<sup>70</sup></p> <p>Allowance(s), as appropriate based on household characteristics (see Chapters 7 and 8).</p>	<p>This category applies to several categories of PAHs:</p> <ol style="list-style-type: none"> <li>1. PAH owns house in other people Land;</li> <li>2. PAH owns house on land they have right to use under a Bandagi or other rental / lease arrangement;</li> </ol> <p>Note: there are no PAHs owning houses or otherwise physically residing on government land. This is why they have not been included in the above list.</p>
2		<b>PAH category:</b> Owner	Cash payment of equivalent value (i.e. full replacement value).	None

<sup>65</sup> This entitlement will be applied in case if such impacts are encountered during project implementation.

<sup>66</sup> Note: all physically displaced PAHs own the primary residential structures in which they live.

<sup>67</sup> PAHs will be encouraged to put structures in both male and female names, if ownership of those structures is distinct from that of the land (the joint ownership of which is being incentivized separately).

<sup>68</sup> If the PAH have alternative house, the House construction Allowance will be awarded once the evidence of alternative house/buying house is provided to UAHEL. For the PAH who don't have alternative house and need to construct alternative house, the 1st installment will be before the House construction, 2nd installment will be provided after the completion of DPC (Damp proof course) level, and 3rd installment upon completion of new house.

<sup>69</sup> UAHEL will provide land with security of tenure of equal size and quality of the impacted land within the same village/ward. If land for relocation is not available within the same village/ward, relocation within same municipality will be considered in consultation with concerned PAH.

<sup>70</sup> The options from PAHs will be obtained in writing prior to payment of compensation and the minimum size house plot and constructed house will be notified.

No.	Type of Loss	PAH Category and Eligibility	Entitlements	Details
	Land <sup>71</sup>	<p><b>Eligibility:</b> Be the owner of the land.</p> <p><b>PAH category:</b> Land lease holder</p> <p><b>Eligibility:</b> Be undertaking an economic activity on the property that the PAH does not own yet upon which the household depends.</p>	<p>Compensation Rate determined by CDC includes only Capital Gain Tax and any other expenses will be bear by UAHEL during land transfer.</p> <p>Allowance(s), as appropriate based on household characteristics (see Chapters 7 and 8).</p> <p>Assistance re-establishing a similar land use agreement on the replacement land of original landowner or on a similar parcel of land with a new owner.</p> <p><b>Allowance to re-establish alternate location Lumsum @ NPR 15,000</b> to re-establish a similar land use agreement. Six-month period will be provided from the time of compensation paid to make alternative arrangement.</p> <p>Economic Rehabilitation as described in Table 6-1 and Chapters 7 and 8.</p> <p>Allowance(s), as appropriate based on household characteristics (see Chapters 7 and 8).</p>	<p>This category refers to /land lease holders with productive activities on others' lands; namely, 1) PAH lives on the property of a title-holding family member; 2) PAH living on land under a Bandagi or other rental / lease arrangement including sharecropping.</p>
3	Impacts to primary economic activities (agriculture, animal husbandry, non-timber forest products)	<p><b>PAH category:</b> Owner</p> <p><b>Eligibility:</b> Be the owner of the land and of non-movable productive assets located on the property.</p> <p>OR</p> <p><b>PAH category:</b> Non-owner</p> <p><b>Eligibility:</b> Be the user of the land (i.e. owner</p>	<p><b>Compensation</b></p> <p>Payment for productive, non-transferable assets (crops, trees).<sup>72</sup></p> <p>Payment for the transfer of livestock.</p> <p><b>Restoration</b></p> <p>Agricultural and Livestock Intensification, and <i>One of the following per household:</i></p> <ul style="list-style-type: none"> <li>• Construction related trainings programme</li> <li>• Other vocational trainings programme</li> <li>• Micro and small enterprises programme</li> </ul> <p>Allowance(s), as appropriate based on household characteristics (see Chapters 7 and 8 for additional details.</p>	<p>Compensation for economic activities is the same for landowners as well as non-title holding land users.</p> <p>The 'non-owner' category applies to two categories of PAHs:</p> <ol style="list-style-type: none"> <li>1. PAH pursuing productive activities on family land;</li> <li>2. PAH pursuing productive activities on land they have right to use under a Bandagi or other rental / lease arrangement including sharecropping;</li> </ol>

<sup>71</sup> During Draft RAP consultation, all the PAHs expressed their preference for cash compensation rather than replacement land. The cash compensation for land is not applicable for the physically displaced PAHs who opt for construction of house by UAHEL in the land provided by UAHEL (as described in option 2 of item 1 above - Loss of Houses and other Structure category).

<sup>72</sup> It is important to note that the compensation to which PAHs are entitled for crops will vary depending on whether they are perennial or annual. Other variations in the precise form of compensation encompassed under this general category of 'primary agricultural activities' may also exist. The precise details for how the value of each is being compensated are provided in the final valuation report, submitted separately from this RAP.

No.	Type of Loss	PAH Category and Eligibility	Entitlements	Details
		of the non-movable productive assets located on the property).		
	Primary economic activities (business ventures, industry, and / or services)	<p><b>PAH category:</b> PAH with commercial economic activity disrupted by land acquisition<sup>73</sup></p> <p><b>Eligibility:</b> Demonstrate income received from economic activities on lands to be acquired by the Project.</p>	<p><b>Compensation</b> Payments for lost wages / income due to loss of economic activity for a period of at 6 months @ NPR <b>15,000/month (minimum wages for industrial workers approved</b> government of Nepal)<sup>74</sup></p> <p><b>Restoration</b></p> <ul style="list-style-type: none"> <li>• Micro and small enterprises programme</li> </ul> <p>Allowances, as appropriate based on household characteristics (see Chapters 7 and 8 for additional details.</p>	This category applies to livelihoods are non-agricultural in nature but that nevertheless require or depend upon land (i.e. PAH that needs physical space for a shop or other form of business, or PAHs engaging in collection of NTFP <sup>75</sup> ). PAHs that do not own the land on which they currently pursue economic activities are entitled to assistance from Project to establish an alternative arrangement that can support their livelihoods (for example renting / leasing land on which they can conduct their business or facilitating alternative source of livelihoods through participation in LRP programming).

<sup>73</sup> Determined by those PAHs who reported their lands have a 'commercial purpose' in the land / asset survey.

<sup>74</sup> Six months is the amount of time which the Project anticipates PAHs will require in order to demonstrably re-establish their livelihoods.

<sup>75</sup> As mentioned previously, economically displaced households engaging in NTFP activities will not lose access to forests as the Project is only affecting a very small percentage (approximately 1.4%) of community forests; therefore, these PAHs will therefore be able to continue their livelihoods after land acquisition. There are no PAHs engaging in other extractive activities on the land.

No.	Type of Loss	PAH Category and Eligibility	Entitlements	Details
4.	Potential exacerbation of conditions of vulnerability, by type of resettlement	<p><b>PAH category:</b> All categories</p> <p><b>Eligibility:</b> All PAHs recognized by the census as subject to physical and/or economic displacement and who are deemed vulnerable.</p>	<p><b>Restoration</b> Assistance for Vulnerable Households (AVH) Programme.</p> <p>Allowances, as appropriate based on household characteristics (see Chapters 7 and 8 for additional details, including how approach to calculation). These include:</p> <ul style="list-style-type: none"> <li>• Individual-level Livelihood Restoration Programmes</li> <li>• Community Assets Restoration Programming</li> <li>• Vulnerability allowance</li> <li>• Food security allowance</li> </ul>	<p>Affects PAHs with 1 or more pre-existing forms of vulnerability, or where resettlement is likely to induce vulnerability.</p> <p>Chapter 8 establishes two 'groups' of vulnerability indicators:</p> <ul style="list-style-type: none"> <li>• Group 1 indicators refer to pre-existing conditions of vulnerability within a household, such as disability, poverty, or membership in a socially marginalized group that may be exacerbated by displacement. These indicators will be used to identify PAHs entitled to participate in the AVH Programme.</li> <li>• Group 2 indicators refer to conditions of vulnerability that may arise as a result of involuntary displacement, such as landlessness. These indicators identify PAHs entitled to priority access to replacement land.</li> </ul> <p>PAHs can be entitled to one or both benefits, depending on the circumstance. Payments for Group 1 vulnerability will be made to the vulnerable individual(s) directly. Payments for Group 2 vulnerability will be paid to the household.</p>
5.	Loss of access to community Resources	All PAHs losing access to community resources	<p>Participation in Community Assets Restoration Programming, consisting of the following (as appropriate):</p> <ul style="list-style-type: none"> <li>• Community forest programming</li> <li>• Educational programme</li> </ul>	Additional details provided in Section 7.4.

#### ***6.5.4 Compensation Payment process and Escrow Account.***

All compensation for land and assets will be paid by the District Administration Office (DAO) directly to the affected land and asset owners on behalf of UAHEL. All additional support described in this RAP including any transaction costs not paid by DAO will be paid by UAHEL directly to the persons. The UAHEL will deposit money with DAO required for disbursement of land and asset compensation. There may be instance of people not accepting compensation or not available to receive compensation or there may be insufficient documentation to receive compensation, etc. In such instances, UAHEL in consultation with DAO will establish an interest-bearing escrow account where the undisbursed amount due to the above reasons will be transferred prior to taking over of those lands. The periodical monitoring reports will provide the status of amount deposited and paid subsequently in the escrow account.



## 7. LIVELIHOOD IMPROVEMENT PLAN

The livelihood improvement plan (LIP) prepared with input from displaced persons and affected communities is presented in this chapter. This LIP outlines the Project's strategy to support economically displaced households so that they are able to demonstrate a continuous and sustainable improvement in their economic activities following displacement. Implementation of the LIP will continue until all PAHs have improved or at least restored their livelihoods, or have been given sufficient opportunity and assistance to do so (see Chapter 10 – Implementation).<sup>76</sup>

It is important to note that the programmes described below are in addition to those described in the Project ESIA, which will benefit the broader Project-affected population, including those subject to physical and / or economic displacement. Wherever relevant, the Project will endeavour to ensure programming under the ESIA and this RAP are complementary and do not create duplications or inefficiencies.

Due to the varied nature of Project impacts, livelihood restoration programmes described below are of two types: 1) those that directly address the livelihood status of individual PAHs, and; 2) those that aim to improve access to resources used by a wider group of people who may not be identified individually.

Specifically, the livelihoods programming presented in this chapter consists of:

### **Individual-level Livelihood Restoration Programmes:**

1. Option to receive replacement agricultural land or incentives to acquire replacement land (an entitlement available to all PAHs – included here due to relationship with agricultural programming below).
2. Agricultural and livestock intensification programme
3. Construction-related trainings
4. Other vocational trainings
5. Assistance to existing micro and small enterprises

### **Community Assets Restoration Programming:**

1. Community forest programming
2. Educational programming

As a complement to these programmes, the Project also provides for a number of allowances to facilitate restoration of livelihoods and minimize the disruption that accompanies resettlement. These include:

1. Vulnerability allowance
2. Food security allowance
3. Rental allowance
4. Transportation allowance
5. Transaction costs

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<sup>76</sup> Livelihoods Restoration is considered complete when the adverse impacts of resettlement have been addressed in a manner that is consistent with the purpose and intent of the RAP (i.e. restoration or improvement of livelihoods and standard of living). This will be determined by a completion audit (see Chapter 9 – Monitoring and Evaluation) once all mitigation measures have been substantially completed and once displaced persons are deemed to have been provided adequate opportunity and assistance to sustainably restore their livelihoods. The Project implementation specialists – in communication with the Project and affected communities – will determine what will an appropriate timeline for 'adequate opportunity' to restore / improve livelihoods.

The remainder of this chapter will outline the principles and objectives guiding the LIP and describe each of the above-mentioned programmes and allowances in detail. It will also outline the measures that the Project will take to ensure that women are able to benefit from livelihood programming and allowances.

## 7.1 Objectives and Principles of the Project's Livelihood Improvement Plan

The overriding objective of the LIP is to enable PAHs to achieve sustainable livelihood restoration and, ideally, improvement. This will be done through a number of tailored programmes based, to the extent possible, on the existing livelihood activities of PAHs. To ensure the sustainability of these programmes, the LRP component of the RAP will prioritize strengthening partnerships with governmental and civil society organizations that operate in the Project area.

Livelihood restoration activities will begin prior to displacement (upon the reaching of individual agreements between the UAHEL and individual PAHs), so that all PAHs subject to economic displacement have the opportunity to either learn new skills or improve existing ones, as required to sustainably restore their livelihood. Pre-displacement activities will focus on training and will establish the effective support structures necessary, while post-displacement activities will focus on the provision of direct support, such as focused advice from technical experts and provision of inputs.

The Project will apply the following principles in the design and implementation of the RAP's livelihood restoration activities:

**Give preference to replacement of existing livelihood activities** – Subject to consultations with those displaced, livelihood restoration / improvement measures will be planned according to the following hierarchy of preference:

- **Preference #1:** Restoration of existing livelihoods – Generally, the lowest-risk option will be to re-establish the existing livelihoods of the affected people, so that they can continue doing what they know best and what is known to work in the local situation. While proven enhancements to the existing livelihoods may be introduced, the emphasis will be on replacing the livelihood assets with new assets of at least equal quality and security. In this case, there is little risk of failure due to technical, economic or social factors.
- **Preference #2:** Introduction of alternative livelihoods – In terms of livelihood replacement, the substitution of a new type of livelihood (for example doing business) for an existing one (for example farming) should only be considered when there is no feasible way of restoring the existing means of livelihood. Objectively, developing new livelihoods carries much more risk of failure than restoring existing livelihoods, or intensifying existing livelihoods. In many cases, the promotion of alternative livelihoods may be more appropriate under community development programmes, which are not intended to mitigate specific economic losses for specific individuals.

**Ensure appropriateness of trainings:** The RAP implementation specialist(s)<sup>77</sup> (described in Chapter 10 – Implementation) will conduct a detailed market assessment prior to the initiation of livelihoods activities in order to ensure that the trainings and other programmes offered correspond with local demand for various forms of labor / skills and other local economic conditions. This will maximize the likelihood that trainings offered through this programme lead to employment and / or increased income for PAHs.

**Plan and negotiate appropriate measures with PAHs** – The planning of livelihoods restoration / improvement is not a purely technical exercise. Rather, it requires a high level of interaction with the affected people in order to develop the most feasible and desirable mitigation measures. The

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<sup>77</sup> As noted in Chapter 10, the Project will contract two specialists plus one international resettlement expert to lead the RAP implementation process; one such specialist should have expertise in design and implementation of rural / agricultural livelihood programming.

implementation specialists will be responsible for incorporating agreed measures into formal collective and/or individual agreements with PAHs. In doing so, the implementation specialists will present PAHs with fully structured livelihood restoration options and alternatives, the appropriateness of which for each household will be determined through a communicative joint assessment of the household's extant capabilities and expressed desires.

**Maintain intervention until success is demonstrated** – The Project will continue to provide livelihood restoration support until household livelihoods have been successfully re-established or until the Project can show that all PAHs have been given sufficient opportunity and assistance to do so (see Chapter 9 for further details on monitoring and evaluation of livelihoods programming).

## 7.2 Household-level Livelihood Restoration Programmes

### 7.2.1 Replacement Agricultural Land

#### **Option #1:** Project-facilitated Replacement Agricultural Land

This programme is open to all physically and / or economically displaced PAHs, although priority will be assigned as per below. The Project will provide PAHs choosing this option with replacement land of equal value than that which is being acquired by the Project. This replacement land will be located, to the extent possible, within their current village or in a place of their choosing within the municipality. The Project will make every effort to acquire this land in advance of land acquisition so as not to displace the PAH for longer than necessary. However, in extreme circumstances (i.e. delays in purchasing desired replacement parcel) the Project may provide the PAH with rent for a temporary residence (of no more than six months) while the land transaction is completed (see below discussion of allowances, as well as Chapter 6 for details).

It is important to reiterate that there is limited availability of replacement land in and around the communities subject to physical and / or economic displacement. This may be an impediment to the ability of the Project to pursue approach of resettlement within village for all PAHs. Therefore, the Project will assign priority to replacement lands according to the following tentative schema:

1. PAHs subject to physical displacement with no access to alternative lands with secure tenure within the Sankhuwasabha District<sup>78</sup>;
2. PAHs subject to economic displacement with no access to alternative lands with secure tenure within the District;
3. PAHs classified as vulnerable (see Chapter 8);
4. PAHs losing enough land that residual land is unviable to support livelihoods within the District (depending on their livelihood and quality of remaining land); and
5. PAHs losing more than 50% of their land within the District.

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<sup>78</sup> Ideally PAHs will be provided with – or choose to purchase – lands within the District to help maintain social ties and to facilitate participation in livelihood restoration programming offered by the Project. It will also allow the Project to better monitor their conditions post-resettlement and identify interventions if required to ensure they are not worse off (and ideally are better off) than prior to resettlement. Therefore, the Project will prioritize PAHs who – absent replacement land – would be forced to leave the District.

## **Option #2: Incentives for Independent Purchase of Replacement Agricultural Land**

This option is available to all physically and / or economically displaced households who opt for cash compensation but wish to purchase replacement lands with their cash compensation. The objective of this option is to encourage PAHs to use their cash contribution to establish a sustainable source of livelihoods.

Under this option, households would receive a cash incentive to purchase land capable of supporting their livelihoods, according to the following scheme:

1. PAHs purchasing land within the Bhotkhola Municipality – cash incentive of additional 5% of value of land acquired by the Project (at value determined by the Project in communication with the CDC)
2. Vulnerable PAHs purchasing land within the Bhotkhola Municipality – cash incentive of 10% of value of land acquired by the Project (at value determined by the Project in communication with the CDC)

Note: the Project will further incentivize for joint purchased in the name of women or women as first joint holder by offering an additional 5% for purchased (or existing) land that the PAH puts in the name of a male and female (husband-wife, brother-sister, etc.). See Chapter 6 for details.

Consultations with communities in November 2020 revealed a community interest in receiving these incentives in exchange for purchasing productive assets with their cash compensation (livestock, vehicles, etc.) rather than purchasing land. It is important to ensure that incentives only go towards the restoration of sustainable livelihoods, which for many PAHs are land-based livelihoods. Therefore, the Project will only consider incentives for productive assets under two conditions: 1) that the PAH can demonstrate they have land elsewhere capable of supporting their desired livelihood, and; 2) that the PAH can demonstrate a direct link between the productive good they would like to purchase and their livelihood (i.e. farm inputs for those with agricultural land, construction tools for those participating in construction trainings, etc.). The Project will evaluate these requests on a case-by-case basis.

The Project will pay the above incentives within one year of the PAH's using cash compensation to purchase productive assets (land or, if land already owned, then other productive assets), if and when the PAH can produce formal paperwork demonstrating that they have used the money to purchase land or other productive assets. As with all instances of cash compensation, the Project will request (and assist with the establishment of) a joint male-female (husband-wife, brother-sister, etc.) bank account into which deposits will be made. This will ideally encourage spending that benefits all household members.

### **7.2.2 Agricultural and Livestock Intensification Programme**

As demonstrated in Chapter 3, the majority of PAHs earn their livelihoods through agriculture and / or livestock production. This programme is therefore open to all physically and economically displaced PAHs dependent on agriculture.<sup>79</sup> The objective of this programme is to enable PAHs to restore and, ideally, improve their livelihoods, making them more sustainable and productive through the following activities:

1. **Land development allowance:** Land development allowance will provide support to develop new land to ensure suitability for agriculture to continue farm-based livelihoods. This allowance will be based on the cost of production of paddy per hectare as estimated by the Government of Nepal and will include input costs such as labor, equipment, seeds, fertilizers etc. This allowance will be provided to all economically displaced households at the time of compensation, provided that they

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<sup>79</sup> As stated in Section 8.1, the Project will give preference to the restoration of PAH's existing livelihoods (i.e. PAHs who practiced agricultural before displacement will continue to do so after displacement) so as to capitalize on the skills the PAHs already possess and to minimize disruption. However, if a PAH expresses interest in changing their source of livelihoods, the Project will directly negotiate this with them, taking into consideration market demand for their desired livelihood as well as their existing skills, capabilities, and assets.

are receiving, purchasing, or already possess viable agricultural lands and intend to continue an agricultural-based livelihood.

2. **Agriculture and livestock trainings:** Agriculture and livestock trainings will assist in maximizing agricultural production for the communities to enable them to source to the Project as well as the contractors. The Project – in communication with the Implementation Specialists (see Chapter 10) – will determine specific training needs in coordination with the local communities to avoid duplication and ensure that they complement other undergoing trainings. If a PAH chooses to move out of the District, they are still eligible to participate in these trainings; however, they will need to return to the District capitol of their own accord to do so.
3. **Formation of a women's cooperative:** The objective of this is to encourage and assist in the formation of a woman's cooperative in each affected community by providing logistical support and appropriate productive inputs, to be agreed upon with Project prior to land acquisition. Such cooperatives can help women improve their agricultural skills and create cooperative mechanisms (i.e. burden sharing, division of labor, partnerships) that will increase production, market access, and potentially enable women to provide agricultural produce to the Project and its contractors in an organized manner.
4. **Access to credit, supply chain, and market linkages training:** This support includes trainings on access to credit, financial and entrepreneurship trainings to those with existing businesses, or those intending to start a new business.
5. **Awareness of existing government agricultural support programmes:** The Government of Nepal has a number of agricultural supports programmes that the communities may benefit from. However, in the absence of information regarding such programs, they remain underutilized. The objective of this support is to highlight such programs as well as complement proposed livelihood restoration programs to maximize benefit for the communities.

The above trainings will be done in conjunction with a local organization (such as CTEVT affiliated agencies, government training institutions [e.g. Paakhribas Agricultural Center]) and will occur within the District. The Project will determine specific trainings within each livelihood programme following a market study conducted by the implementation specialist(s) at the outset of their engagement with the Project (see Chapter 10 – Implementation). The Project will finalize specific trainings programs prior to land acquisition and cash disbursement, and trainings will begin immediately following the completion of the compensation process.

The first round of trainings will occur following the provision of replacement land (under Replacement Agricultural Land Option #1 above). The second training will occur within one year of compensation for those who purchase their own replacement land (under Replacement Agricultural Land Option #2 above). Participants who were unable to participate in the first round of trainings (or who wish to take a refresher course) may participate in the second round of trainings as well. However, only one individual per household can participate in the training programme.

### 7.3 Individual-level Livelihood Restoration Programmes

While all PAHs are entitled to participate in the above programmes, each PAH may only select **one** of the programmes below to participate in. More specifically, each PAH will nominate one male and one female (must be between the ages of 16 and 60) to participate in the selected programme; the Project will make the final determination as to who participates. The criteria used for this selection process will be based on feasibility, eligibility, PAH preference (emphasis on woman's preference), and imperative to maintain 50% women in trainings. The RAP implementation specialist(s) will conduct a detailed market assessment prior to the initiation of livelihoods activities in order to ensure that trainings offered correspond with local demand

for various forms of labor/skills. This will maximize the likelihood that trainings offered through this programme lead to employment and / or increased income for PAHs.

### **7.3.1 Construction Related Trainings**

**Objective:** The intent is to ensure that PAHs are trained prior to construction to maximize the possibility of being employed in the project. While the skills taught will be directly relevant to the types of construction required by the Project, there will also be a focus on transcendental construction skills that can be applied in other areas (i.e. civil works).

**Details:** Local CTEVT-affiliated organizations present in the District will deliver these trainings. It is critical to note that, when hiring, the Project will give preference to local workers to the extent possible, and will ensure that construction contractor documentation includes the measures required to realize this benefit. However, successfully completing the construction training does not guarantee the PAH a job with the Project or any other construction firm. At the request of the Project, the Project made this point clear to the communities during the consultation conducted in November 2020.

**Timing:** This programme will begin at least four months prior to construction to ensure PAHs complete it before Project hiring begins (see Chapter 10 – Implementation).<sup>80</sup>

### **7.3.2 Other Vocational Trainings**

**Objective:** The objective of these trainings is to help PAHs take advantage of indirect economic opportunities associated with population in-flux and improved road access.<sup>81</sup>

**Details:** The definition of ‘other vocation’ includes any non-hydropower related construction trainings or trainings included in the agriculture and livestock intensification programme.

**Timing:** This programme begins following the finalization of the final RAP and onboarding of the RAP implementation specialist(s).

### **7.3.3 Micro and Small Enterprise Support**

**Objective:** The objective of this programme is to ensure that PAHs have enough information and relevant trainings to start a business enterprise should they choose to use some of their cash compensation to do so or to existing businesses.

**Details:** This programme consists of the following components:

1. Support and provide business and financial trainings to cooperatives (e.g. cooperative for cardamom businesses);
2. Identification and facilitation of credit sources;
3. Identification and facilitation of linkages to market supply chain trainings; and
4. Identification of existing government micro- and small-enterprise support programmes.

**Timing:** This programme begins following the finalization of the final RAP and onboarding of the RAP implementation specialist(s).

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<sup>80</sup> Typically construction training programs are 390 hours, completed over approximately three months.

<sup>81</sup> It is important to note that the Project ESIA proposes several mitigation measures to limit the extent of population influx into the area; however, it is not possible to completely control the influx. Therefore, there will inevitably be short- to medium-term supporting economic opportunities associated with the Project.



## 7.4 Community Assets Restoration Programming

### 7.4.1 Community forest programming (available to all CFUG members):

**Objective:** These programs are intended to rehabilitate remaining community forest areas in community forests affected by land acquisition. These programs should be seen as complementary to the mitigation and management measures for community forests in the broader Project area, as outlined in the Project ESIA (Section 7.3.4 – Ecosystem Services).

**Details:** All Community Forest Users Group (CFUGs) members are eligible to participate in this programme, the details of which will be identified in communication with the CFUG Boards for any community forest affected by land acquisition.<sup>82</sup> The following activities are eligible for inclusion in this programme:

1. Afforestation / reforestation programmes (e.g. sapling distribution);
2. Forest management trainings;
3. Coordination with existing government programmes to provide improved stoves where required (thus reducing demand for firewood);
4. Awareness programmes on existing community forest government programmes; and
5. Awareness programmes on forest fire prevention.

**Timing:** This programme begins immediately following land compensation.

### 7.4.2 Educational Programming<sup>83</sup>

**Objective:** This programme is designed to improve the quality of education in the communities affected by involuntary resettlement.

**Details:** This programme will consist of two components:

1. Teachers Training: Any teacher living or working within the villages affected by physical / economic displacement will be eligible for participation in this programme, in which the Project will help to identify appropriate educational trainings and cover the costs of said trainings. At least one teachers training will be conducted in every village.
2. Input / resource support to schools: The inputs / resources envisioned by this programme will be defined by the Project and the eligible school(s), but could include school supplies, new equipment, etc. Any school within a community affected by displacement is eligible to receive this support. A certain budget (determined by the Project) will be set aside for support to schools within the Project communities. The Project will be responsible for promulgating information about this programme to eligible schools.

**Timing:** Begins immediately post land compensation.

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<sup>82</sup> There are also broader provisions relating to the mitigation of impacts on community forests laid out in the Project ESIA as well (see Chapter 7.3.4).

<sup>83</sup> Note: the costs associated with this program are not included in the Project budget (see Chapter 10) as they are on an as-needed basis, and therefore costs will be determined entirely by number of eligible teachers and school needs as determined through conversations between the Project (or its implementation specialists) and the Project-affected communities.

## 7.5 Additional Allowances and Incentives

In addition to the above-mentioned programmes, the Project will provide eligible PAHs with a series of allowances designed to further mitigate the impacts of resettlement upon their lives, and to ensure that the livelihoods of all PAHs are restored or, ideally, improved following resettlement. **Table 7-1** below outlines these allowances, identifying eligibility criteria, how the allowance is calculated, the timing of the allowance, and other relevant considerations.



Table 7-1: Additional Allowances and PAH Eligibility

Allowances	Eligibility Criteria	Details	Timing	Considerations
Vulnerability Allowance	Any PAP that meets at least one of the 'Group 1' vulnerability indicators identified in Chapter 8 (including those who choose not to participate in livelihoods programming). In order to qualify for this allowance, PAP must demonstrate the existence of a vulnerability within the household if not evident from the socioeconomic survey results. Depending on the type of vulnerability, the Project can confirm through a variety of means, including visual confirmation of a particular condition (housing indicative of low income, female headed household, elderly landowners), through documentation (i.e. doctors' confirmation for disabilities), or through confirmation by neighbours / local leaders (as long as done in a way that respects individual privacy). This allowance will be paid out at the individual level.	This is a temporary allowance designed to provide additional financial security while vulnerable PAHs work to restore their livelihoods. The vulnerability allowance is based on the highest monthly social security allowance that is implemented in Nepal, i.e. NPR 3,000/month for senior citizens above the age of 70.	At time of compensation	Lump sum for 12 months (to be re-evaluated for additional 6 months following the 12-month period, based on situation of the PAP)
Food Security Allowance	Any PAH whose annual household income as of the time of the socioeconomic survey fell below the poverty line. PAHs whose economic situation has demonstrably change since the socioeconomic survey was conducted can apply (through the GRM) to be considered eligible for this allowance as well.	According to the Nepal Living Standard Survey (NLSS, 2011), a household is considered to be in a condition of poverty when they cannot manage to consume 2,200 calories / day / person and do not have access to essential non-food items. The poverty line in Nepal is 19,261 NPR / capita / year. <sup>84</sup> Therefore, the food security allowance will be in the form of food coupons equivalent to 2,200 calories / day / person for all PAHs falling beneath this poverty line. The value of food coupon will be NPR 3000 per month for six months.	At time of compensation	
Transition Allowance	Transitional support for Economically Displaced Households	UAHEL will provide lum-sum amount based on Agriculture income for 6 months	At time of compensation	One-time payment.
Rental Allowance	Physically displaced PAHs with no secondary residence that need to move temporarily to an alternate location.	UAHEL will provide lumsum allowance amount of NPR. 15,000 to rent alternative residence.	At the time of compensation	One-time payment.
Allowance to re-establish alternate location (In case of lease holders)	Land lease holders with no secondary residence that need to move temporarily to an alternate location. Reasons for this temporary move can include: 1) for PAHs accepting cash compensation, to give them time to find an alternative residence to rent / purchase.	UAHEL will provide lumsum allowance amount of 15,000 to re-establish a similar land use agreement or to allow for location of alternative lands/ alternative residence. Six-month period will be provided from the time of compensation paid to make alternative arrangement.	Prior to land access.	Paid lumsum allowance amount of 15,000.
Transportation Allowance	This allowance covers the costs associated with the transport of moveable residential and / or productive assets from their existing location to the PAHs' new lands / place of residence. This can include personal belongings, salvageable housing materials, as well as productive assets such as livestock and farm equipment. In order for transportation costs to be covered, PAH must be remaining	This is a lump sum amount of 50,000 will be paid to all 22 physically displaced PAHs.	At the time of compensation	One-time payment.

<sup>84</sup> Asian Development Bank, 2017, available at: <https://www.adb.org/sites/default/files/linked-documents/cps-nep-2013-2017-pa-detailed.pdf>

Allowances	Eligibility Criteria	Details	Timing	Considerations
	within the District. If moving outside of the district, the Project will cover the portion of the costs that the PAH would have incurred for within-District transport.			
Transaction Costs	This allowance is designed to cover all transaction costs associated with the acquisition and registration of new lands.	<p>Costs covered under this allowance include:</p> <ul style="list-style-type: none"><li>▪ Disconnecting/Reconnecting Utilities</li><li>▪ Permits and approvals</li><li>▪ Capital gains taxes/ income tax</li><li>▪ Title Transfer/Registration</li><li>▪ Inheritance Documents</li><li>▪ Notary Public</li></ul> <p>Other costs incurred by the PAH as a result of resettlement may be covered by the Project on a case-by-case basis. To claim these costs, the PAH can utilize the Project GRM. The Project will pay these costs directly.</p> <p>CDO will confirm that Compensation Rate includes only Capital Gain Tax and any other expenses will be bear by UAHEL during land transfer.</p>	At the time of compensation	One-time payment based on calculated expenses.

## 7.6 Gender Considerations

As mentioned in previous chapters, involuntary physical and / or economic displacement can disproportionately affect women, as their unique role in the household means they may have more difficulties coping with the familial disruption that resettlement can cause than do their male counterparts.

Chapter 4 discusses how the community consultations conducted between June 2019 and November 2020 sought to actively incorporate women. Among these were holding consultations at times and in places amenable to the participation of women, and holding women-only focus groups to ensure that women in the communities felt able to speak freely. Chapter 6 also addresses issues relating to gender and compensation, and outlines several mechanisms in place to ensure that women are able to equally benefit from the compensation and other programming that this Project will provide. Amongst these were: 1) encouraging joint-land ownership and incentivizing this option, and 2) requiring a joint (male-female) account for those opting cash compensation.

With similar intent, the LRP outlined above proposes to facilitate the inclusion of women in livelihoods planning through:

1. Provision of additional incentive for joint-ownership of land;
2. Provision of a joint-account for those adopting cash compensation;
3. Ensuring at least 50% of the trainings are reserved for women;
4. Providing support to encourage women's participation in trainings including offering childcare support and mobile trainings;
5. Facilitating the formation of women-based cooperatives and self-help groups;
6. Ensuring that displaced women are able to link in to provisions in the Gender Action Plan and other relevant programming outlined in the Project ESIA (see ESIA Chapter 7.3); and
7. Running awareness programs on various issues including reproductive health, risks of gender-based violence and trafficking in persons<sup>85</sup>, information on available government programmes focused on women, and access to finance/credit.

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<sup>85</sup> As described in the Project ESIA, population influx associated with the Project may increase the risk of gender-based violence and trafficking in persons in the Project area (ESIA Chapter 7.3). Therefore, the Project will either incorporate displaced households into the mitigation measures and management plans provided for under the ESIA, or will run parallel awareness programs in displaced communities and amongst displaced PAHs (depending on what makes the most sense logistically, to ensure involvement of displaced PAHs and, especially, vulnerable households and women).

## 8. ASSISTANCE TO VULNERABLE HOUSEHOLDS

The Project recognizes that vulnerability may be pre-existing (i.e., present in the Project area prior to the start of Project activities) or Project-induced (i.e., a result of Project activities). The Project will therefore seek to give PAHs with pre-existing vulnerabilities access to the benefits of RAP activities, and take steps to avoid or mitigate any instances of Project-induced vulnerability.

For PAHs or specific members therein that could be made more vulnerable or worse off through the resettlement process, the Project is proposing four targeted measures to address circumstances that could arise during RAP implementation. These are outlined in Section 8.3 below. Second, the Project is developing a cross-cutting Assistance to Vulnerable Households (AVH) Programme for those with existing conditions of vulnerability. This programme is outlined in detail in Section 8.5 below. This programme will be updated regularly to reflect the characteristics of emerging vulnerability among displaced households.

The remainder of this chapter will address:

1. The indicators used to determine vulnerability;
2. Specific circumstances that could arise during resettlement and that could increase the vulnerability of households or members therein, as well as the proposed approach and actions to be undertaken to address these risks;
3. How vulnerable households are to be initially identified and assessed on an ongoing basis;
4. How vulnerable households will be monitored; and
5. A description of the cross-cutting AVH Programme.
6. Vulnerability Indicators

To determine vulnerability, the Project will use a bifurcated approach. The first approach – used to determine priority access to AVH programming – will be based on specific markers (proxy indicators) of potential vulnerability to determine households or individuals in need of special attention – these constitute what this RAP refers to as ‘Group 1’ vulnerability indicators. These proxy indicators align with – but not be limited to – community and government conceptions of vulnerability as expressed in community consultations. The preliminary list of Group 1 vulnerability proxy indicators – which are explained further below – includes:

- Elderly people with age of more than 70 years
- Female-headed households (FHHs),
- Persons or households who lack of any potential source of income and / or are in a condition of poverty;
- Households with children lacking adequate support (i.e., more than four children per adult household member);
- Dalits; and
- Disabled persons, particularly those without employable skills or suffering from chronic health conditions.

The indicators and conditions described above allow the establishment of both eligibility and “priority of attention” rankings that the Project will apply to the PAHs when implementing the RAP and operationalizing the AVH Programme, described in the last section of this Chapter. The implementation of the AVH Programme requires recognition of the potential existence of multiple forms of vulnerability within a single PAH, the consideration and incorporation of the particular needs of individual PAH / PAP, and the establishment of actions that not only diminish conditions of vulnerability, but also aim to modify

social, cultural, and structural conditions contributing to their existence. To do so, the AVH Programme requires a full understanding of the characteristics, problems, needs, interests, and particular interpretations that the PAHs have which may demand an adaptation of the modalities of assistance to them when addressing their vulnerabilities. This chapter lays out an initial analysis; however, vulnerability must necessarily be evaluated on a case-by-case basis during the negotiation of individual compensation agreements.

The indicators noted above which determine both the eligibility and ‘priority of attention’ for various PAHs vis-à-vis the AVH Programme: any PAH with one of the above conditions of vulnerability is eligible for the AVH Programme, while those with multiple forms of vulnerability – or those who suffer from severe forms of a single type of vulnerability – will receive priority attention (meaning first access to programming, more frequent monitoring visits, and other measures to be identified on a case-by-case basis). In addition to these indicators, the Project will also consider a number of resettlement-specific indicators when determining priority access to replacement land as outlined in the Compensation and Restoration Matrix (Chapter 6). These ‘Group 2’ indicators include:

- PAHs subject to physical and / or economic displacement with no access to alternative lands with secure tenure within the District;<sup>86</sup>
- PAHs subject to physical displacement with no alternative residences within the District;
- PAHs losing more than 50% of their land in the District; and
- PAHs losing enough land that the remaining land in the District does not meet the basic minimum required to support livelihoods (see Compensation and Restoration Matrix in Chapter 6).

It is important to note that a PAH may have multiple overlapping forms of vulnerability under the Group 1 proxy indicators, and therefore have priority access to AVH programming, but still not qualify for prioritized access to replacement land, under the Group 2 indicators, if they do not meet any of those criteria. For example, a female-headed PAH with a disabled child would qualify for priority access to the AVH Programme, but if that PAH also had access to alternative lands with secure tenure, then they would not qualify for priority access to replacement land. PAHs can, however, qualify for both participation in the AVH Programme while also qualifying for priority access to replacement land, should they suffer from both Group 1 and Group 2 forms of vulnerability. This bifurcated approach will allow the Project to better align the type of vulnerability with the assistance required, reducing inefficiencies and competition for limited resources.

Finally, per Chapter 6, the Project will identify and compensate Group 1 indicators (i.e. elderly, no income source, disability, FHH) at the individual (i.e. PAP) level unless the condition is such that it affects the entire household (i.e. Dalit households, households with children lacking adequate support). For Group 2 indicators, the Project will pay compensation / allowances at the household level. PAHs wishing to claim exceptions to this can do so during the negotiation of individual compensation agreements (see Chapter 4).

## 8.2 Preliminary Vulnerability Analysis Results

Based on the methodology described above, and utilizing the socioeconomic data collected during the initial round of Project socioeconomic census activities (June-July 2019) as well as community consultations in November 2020, it is possible to present a preliminary analysis of the presence of vulnerability conditions amongst PAHs. Two caveats are worth mentioning: first, as explained in Chapter 2, 122 economically displaced PAHs did not participate in this round of the socioeconomic census activities because they were absent from their lands at the time of the census. The vulnerability status of these 122 economically displaced households is therefore not included in this analysis. Second, it is

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<sup>86</sup> The focus on landholdings in the district rather than a broader geographic range is two-fold: 1) it is difficult to verify land ownership outside of the district unless the PAH is willing to provide this information, and; 2) land ownership inside the district is more relevant in terms of providing alternative residence / livelihoods options and training to PAHs.

important to note that the survey data and the associated indicators can only highlight *potential* conditions of vulnerability. Final assessments of PAH / PAP vulnerability will be conducted by the Project during the negotiation of individual compensation contracts (according to the methodology outlined in this document). With these caveats in mind, **Table 8-1** presents a preliminary assessment of vulnerability amongst the PAHs that participated in the original socioeconomic census (i.e., 237 PAHs).

**Table 8-1: Current Vulnerability Conditions within the Project-Affected Population**

Category	# of PAHs	% of PAHs (of 237 PAHs)
<b>Group #1 Indicators:</b>		
Elderly <sup>87</sup> people, especially those lacking adequate extended family support <sup>88</sup> and/or means of production;	34	14
Female heads of households	29	12
Persons or households who lack of any potential source of income and / or are in a condition of poverty <sup>89</sup> ;	48	20
Children lacking adequate support <sup>90</sup> ; and	2	1
Persons belonging to the Dalit ethnicity;	3	1
Disabled persons, particularly those without employable skills or suffering from chronic health conditions.	30	13
<b>Group #2 Indicators</b>		
PAHs with no access to alternative lands with secure tenure within the District;	123	52
PAHs subject to physical displacement with no alternative residences in the District	22	9 (76% of physically displaced PAHs)
PAHs losing enough land that the remaining land does not meet basic minimum requirements to support livelihoods	To be determined upon resumption of fieldwork	To be determined upon resumption of fieldwork
<b>Total</b>	<b>296 incidents of vulnerability across 171 unique households</b>	<b>72</b>

<sup>87</sup> According to the Senior Citizens Act (2006), the elderly population consists of everyone 60 years of age and older.

<sup>88</sup> I.e., PAHs with less than 2 members aged 18-60 for every member >60

<sup>89</sup> For the purposes of this preliminary vulnerability assessment, PAHs who have *per capita* income less than the poverty line (19,261 NPR per year) will be considered as suffering from poverty (source: <https://www.adb.org/sites/default/files/linked-documents/cps-nep-2013-2017-pa-detailed.pdf>)

<sup>90</sup> I.e., PAHs with 4+ children (aged <18) per adult aged 18-60.

The above table demonstrates that a significant percentage of PAHs (72%) suffer from at least one of the Group 1 or Group 2 conditions for vulnerability outlined above. If one looks only at pre-existing conditions of potential vulnerability (i.e., 'Group 1' indicators), this number is slightly lower, however still significant (109 PAHs or 46% have at least one 'Group 1' condition of vulnerability). The list of these people available in the project files and will be used to provide support during Rap implementation.

Of the 171 unique PAHs characterized by at least one condition of vulnerability (either Group 1 or Group 2 indicators), 33 (or 13.9% of total PAHs) meet two 'Group 1' vulnerability conditions while two meet three of the 'Group 1' vulnerability conditions (see **Table 8-2**). Group 2 vulnerabilities overlap significantly for physically displaced PAHs, as all physically displaced PAHs without an alternative residence also lack access to alternative lands with secure tenure within the District.

**Table 8-2: PAHs with More than One Condition of Vulnerability**

# Group 1 Vulnerability Conditions	# of PAHs	% of Total PAHs	# Group 2 Vulnerability Conditions	# of PAHs	% of Total PAHs
<b>1 condition</b>	74	31.2	<b>1 condition</b>	106	44.7
<b>2 conditions</b>	33	13.9	<b>2 conditions</b>	22	9.3
<b>3 conditions</b>	2	0.8	<b>3 conditions</b>	To be determined during individual negotiations	To be determined during individual negotiations

### 8.3 Vulnerability Analysis according to Identified Impacts of Resettlement and the Established Compensation and Restoration Framework

It is important to note that the Compensation and Restoration Framework is associated with resettlement impacts and responds to the specific conditions found to characterize the individual PAHs. As a result, the Project expects that the application of the various measures included in the Compensation and Restoration Framework will significantly reduce many of the pre-existing conditions of vulnerability identified by the methodologies outlined above. However, there remains a risk that in certain cases, the conditions of vulnerability will persist, or potentially become more accentuated due to resettlement, despite the application of mitigation measures under the Framework.

The Project is particularly concerned with circumstances that could arise in the course of, or following, resettlement that could make certainly households more vulnerable or worse off, such as, for example, elderly household members dependent on residences owned by others. As a result, the RAP will define measures to address conditions of vulnerability that may persist beyond application of the mitigation measures, or may only be triggered by the resettlement impacts outlined in the Compensation and Restoration Framework. These measures, summarized briefly below, seek to safeguard the re-establishment of living conditions of such PAHs, principally through the following:

1. Highlighting considerations that will be taken into account when preparing each PAH's compensation and restoration package; and
2. Including proposed targeted measures (approach / actions) for managing these risks and avoiding inadvertently compounding Project-induced vulnerabilities.

The below sections identify and analyse four specific conditions or situations of vulnerability relevant to involuntary resettlement and highlight the additional, targeted actions that the Project will take in the case that such conditions arise amongst households affected by resettlement.

**Vulnerability Condition 1:** PAHs that, after receiving their part of an inheritance settlement associated with a Project-affected property, are unable to re-establish a place of residence with security of tenure and / or loses the ability to access the property to carry out productive activities. The division of money amongst family members could mean that the inheritors lose their place of residence and / or access to lands required for them to carry out the economic activities on which their families rely for income.

*Approach/Actions:*

- The Project will provide assistance with the resolution of tenure- and inheritance-related issue;
- The Project will provide means to obtain a residence that meets basic acceptable living standards, suitable to the needs of the PAH, with security of tenure;
- Transfer costs (dismantling, packing, moving, and assembling of movable goods to the new premises); and
- Access to technical courses and previous studies on productive land use via the LRP outlined in Chapter 7.

**Vulnerability Condition 2:** PAHs consisting of only elderly adults for whom a residence of equal size to the current one would generate additional living expenses, and who thus prefer a property (productive or not) of a smaller size than their current one.

In households headed by elderly people, not necessarily all built-up spaces are inhabited and used due to reductions in family size over time; therefore, older adults may prefer smaller residences that nevertheless continue to provide adequate living conditions.

*Approach/Actions:*

- The Project will provide housing suitable to the needs of the PAH, with any difference in size between the original house and the (smaller) replacement house being compensated via a cash



payment. Additional funds will be deposited in a savings account to provide income sufficient to cover maintenance and utility costs for the house over time.<sup>91</sup>

- Money management training / assistance for the PAH for any cash payments received.

**Vulnerability Condition 3:** PAHs with unemployed elderly adults as heads of households who prefer a smaller property (with or without productive activity) than their current one.

The maintenance of living conditions requires a flow of resources for goods and services. The elderly adult population may no longer have the capacity to carry out economic activities or does not have an employed labourer in their household, thus making the acquisition of these resources difficult and requiring differentiated measures that promote the generation of income. However, due to limitations in the ability of elderly adults to develop and sustain productive activities on their land, they may simply opt for smaller parcels of land that maintain their sense of rurality and attachment to the land, while still supporting daily activities such as maintenance of personal subsistence orchards / gardens.

*Approach/Actions:*

- PAH provided with a property appropriate to their needs;
- The balance for the land not compensated for in-kind deposited into a savings account, to be released for investment in those productive activities in which the adult head of household is able to engage;
- Monthly payment to the household for maintenance of the land;
- Assistance managing the monthly payments; and
- Participation in the livelihoods restoration programming outlined in Chapter 7.

**Vulnerability Condition 4:** PAH with one or more of its members possessing a disability that affects the time required to initiate an economic activity (i.e., agricultural intensification, micro-enterprises, employment training – see Chapter 7 for options available).

It is critical to fully include people with disabilities in resettlement implementation, and to identify the best way to eliminate barriers to their equitable access to information, participatory spaces, and measures such as provision of adequate housing. However, the generation of income through the productive projects, agricultural and livestock farming, and/ or business ventures can require more time for persons with disabilities, given the extra care that these people require.

*Approach/Actions:*

- The Project will adjust the duration of lost wages / profit payments based on evaluations of the PAH's progress in establishing their business venture or other economic activity; and
- Assistance and support for the process of initiating and sustaining their economic activities will be provided.

## **8.4 Identification and Ongoing Assessment of Vulnerable Households**

An initial identification of the particular types of vulnerabilities to which PAHs are subject was carried out using data collected during the original round of census activities described in Chapter 2. As described in Section 8.2 above, 171 unique PAHs out of 237 total PAHs that participated in the original round of socioeconomic census activities have at least one condition of vulnerability, while a small number have multiple, overlapping conditions (see **Table 8-2**).

Additional cases of potential vulnerability will continue to be flagged during all phases of the resettlement planning and implementation process; new cases may be flagged either through formal survey processes, through observations by the Project team, or through notification directly from PAHs. As soon as a new case is identified, an appropriate representative of the Project with a background in

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<sup>91</sup> If the PAH does not have a bank account, the Project will assist them in establishing one.

working with vulnerable people will conduct a verification visit. PAHs may also self-identify for the list, i.e., ask to be included in the group considered potentially vulnerable, or local authorities can also recommend that a household be considered for this list. These referrals would require a visit from the Project team for verification purposes.

Throughout the resettlement process, the Project will ensure that vulnerable households fully participate in the resettlement process in accordance with the measures described in this RAP. The Project will visit PAHs identified as potentially vulnerable at their home to determine if they require referral for supplementary assistance. The Project team will review survey data and, if required, consult with community leaders regarding whether the PAH may indeed be vulnerable, and what types of vulnerability exist. As a better understanding of vulnerability emerges, appropriate adjustments will be made for implementing RAP activities to promote the participation of vulnerable households in the RAP process and support them in accessing RAP benefits.

Where home visits are required, a representative from the Project, local healthcare professional, and/or any relevant community support organizations will conduct them. Appropriate, sustainable support will be designed based on the causes of such PAHs' vulnerability, most likely referring them to appropriate community and government care providers.

#### **8.4.1 Monitoring of Vulnerable Households**

As part of the RAP implementation process, the Project will compile a list of the vulnerable PAHs and their particular types of vulnerability that will be used to track and monitor vulnerable PAHs using KPIs as benchmarks (see Chapter 9 on Monitoring and Evaluation). The main function of this list will be to highlight the particular vulnerabilities affecting PAHs and flag them for closer monitoring and potential support during the implementation phase.

Vulnerable PAHs will be monitored periodically for as long as they show signs of vulnerability, or until Project impacts have been fully mitigated. In addition to helping to ensure that vulnerable PAPs participate fully in the resettlement process, the list will serve as an "early warning system" to identify potential issues with RAP implementation by following up with vulnerable PAHs through the RAP implementation process.

### **8.5 Description of Assistance to Vulnerable Households Programme**

As noted above, the results of the socioeconomic census detailed in Chapter 2 point to the wide prevalence of vulnerability in the Project area, including among resettlement-impacted PAHs. Therefore, the Project will be offering a crosscutting set of activities under its AVH Programme. These are in addition to the targeted measures to address the specific types of resettlement-related vulnerability that could arise in the course of implementing the RAP.

The AVH Programme consists of six components that collectively seek to protect the rights and improve the welfare of households in a situation of vulnerability, as defined above. In line with these components, the Project will undertake various actions that re-establish and support such households while at the same time offering them comprehensive social support to help them maintain and even strengthen their resilience and improve their welfare. To this end, the Project proposes the activities presented in **Table 8-3** below. The intensity and frequency of these activities for each PAH will depend upon an individual PAH's vulnerability level and particular situation.

**Table 8-3: Activities Constituting the Assistance to Vulnerable Populations Programme**

Components	Potential Activities
Support to access a suitable home.	<ul style="list-style-type: none"> <li>Assistance to design appropriate housing for the disabled population.</li> <li>Legal advice/assistance throughout the resettlement process.</li> </ul>
Support to access basic family income (above the poverty line).	<ul style="list-style-type: none"> <li>Priority involvement in the LRP activities and other programmes that facilitate household income generation.</li> </ul>
Support for elderly persons.	<ul style="list-style-type: none"> <li>Creation of a community organization for the care of the elderly<sup>92</sup>, particularly when also suffering from other forms of vulnerability (such as having a low income).</li> <li>Assistance restoring access to elderly care programs.</li> <li>Institutional engagement to link elderly persons with mobile oral and visual health services.</li> <li>Creation of a support group for families and / or caregivers of elderly persons.</li> </ul>
Support for female heads of households.	<ul style="list-style-type: none"> <li>Consideration of gender issues in design of livelihood restoration programmes.</li> <li>Equal / priority access to livelihood programming.</li> <li>Assistance accessing entrepreneurship programs in the municipality.<sup>93</sup></li> <li>Assistance reinstating links to the social / cultural programming.<sup>94</sup></li> </ul>
Support for children and young people.	<ul style="list-style-type: none"> <li>Entrepreneurship training for youth to strengthen the household's overall success in livelihood restoration programming.</li> </ul>
Support for people with disabilities or serious health conditions.	<ul style="list-style-type: none"> <li>Execution of leisure and recreation activities to strengthen social capital and societal integration of people with disabilities or serious illnesses.<sup>95</sup></li> <li>Psychosocial assistance with the transfer and adaptation to the new environment.</li> <li>Specialized support for ensuring participation of such households in LRP activities.</li> </ul>

In addition, in order to facilitate the activities above, the resettlement implementation process may provide supplementary assistance to PAHs identified as vulnerable, if needed. This assistance may take the form of:

- Adjustment of house designs to accommodate mobility challenged persons;
- Additional training and mentorship during the provision of RAP entitlements including LRP component assistance;
- Transportation support to encourage participation in consultation meetings;

<sup>92</sup> Such programming may fall under the auspices of Community Development Programming provided for under the ESIA.

<sup>93</sup> See note #111 above.

<sup>94</sup> See note #111 above.

<sup>95</sup> See note #111 above.

- Additional transportation support on moving day for physically displaced households;
- Additional efforts to ensure communication with vulnerable PAHs is effective (e.g., ensuring an individual that a vulnerable PAH trusts is also present at important moments, such as whenever cash payments are made or signatures on documents are needed);
- Minimization if not elimination of cash payments to parties who might be unable to understand effective financial management or might be subject to manipulation or fraud;
- Support and training for vulnerable PAHs in the proper management of cash compensation, where needed;
- Facilitation of enrolment into livelihood restoration activities; and
- Exceptional assistance as deemed necessary by the RAP implementation team.<sup>96</sup>

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<sup>96</sup> This list does not necessarily apply to all vulnerable people; assistance will be adapted depending on the specific situation of each vulnerable household.

## 9. MONITORING AND EVALUATION

This chapter describes the M&E plan for the resettlement process in the following order:

1. Overview of the project approach to M&E;
2. Internal monitoring; and
3. External evaluation.

### 9.2 Overview of Monitoring and Evaluation Approach

This Project's M&E programme provides project management, lenders, and other key stakeholders with timely, concise, indicative information on whether resettlement and land acquisition initiatives are on schedule. It also helps the Project implementers understand if the Project is on track to achieve sustainable restoration of livelihoods and living conditions, or if adjustments and corrective actions are needed.

This M&E programme is firmly rooted in a participatory approach that involves the direct and active participation of displaced persons and stakeholders, and the incorporation of their feedback into the Project's land acquisition and resettlement activities. Community participation is important during the planning and implementation of M&E activities to define what will be tracked and monitored, and how the programme will be implemented.

The Project will monitor resettlement and compensation activities both internally and externally. Internal monitoring will focus on inputs and outputs and will be aimed at observing the short-term changes in different indicators. External evaluation will focus on processes and outcomes, using the findings of internal monitoring, as well as investigations completed by external, third-party organizations. External evaluation will be carried out periodically, along with completion audits for each phase of resettlement and compensation.

M&E activities will begin as soon as RAP implementation begins and will continue until it can be demonstrated that displaced persons have successfully re-established their livelihoods and restored their quality of life (see Section 9.2.2).<sup>97</sup> Prior to project closure livelihood improvement will be assessed and if necessary additional measures will be proposed.

### 9.3 Internal Monitoring

Internal monitoring will assess the standard of living and livelihood restoration progress for all PAHs. Internal monitoring will be based on the baseline data collected as part of the census and survey activities described in Chapter 2 and will focus on a set of carefully selected KPIs to assess whether households have improved their standard of living post physical displacement and have at least restored their livelihoods post economic displacement. The indicators will also include a specific set of Key Performance Indicators (KPIs) to measure and track vulnerability amongst the affected population.

Internal monitoring will analyse inputs and outputs, meaning how KPIs have changed as a result of the project, in the short-term. This monitoring will be based on the baseline data collected as part of the census and survey activities, as well as the data collected through internal monitoring tools. Together, the monitoring of these different indicators will provide indications of the overall success of the resettlement activities and will provide the motivation and definition of corrective action as needed.

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<sup>97</sup> ERM will provide the socioeconomic database to UAHEL to enable them to determine baseline values associated with the indicators outlined below as soon as the participatory approach indicated above has implemented).

### **9.3.1 Physically Displaced Households**

During the implementation phase (approximately 12 months), the Project will monitor PAHs that have been physically displaced on a quarterly basis (see implementation schedule in Chapter 10.<sup>98</sup> These evaluations – further described below – will take place alongside other project-related visits, so as to reduce the burden of participation on the PAHs. Once the implementation phase is complete (i.e., resettlement has been completed, compensation paid, and livelihood programming established), the monitoring will shift to a bi-annual schedule. At this time, the Project will also begin conducting annual internal reviews of all physically affected PAHs. These reviews will focus on continually measuring PAH performance against a series of process and outcomes related KPIs (see Section 9.4) and making adjustments to the RAP programming as necessary. The Project will continue to monitor and review PAHs in this way for three years, culminating in an internal completion audit at the end of this three year period. The purpose of the completion audit is to verify that PAHs have attained a standard of living better than that which they had prior to resettlement or at least restored to the pre-project levels. The results of both the annual reviews and the completion review will be published for internal audiences and provided to external parties upon request and at the discretion of the Company.

The post-displacement monitoring will evaluate:

- Housing standards;
- Access to infrastructure (water, sanitation, electricity);
- Access to social facilities (education, health, recreational facilities);
- Community cohesion; and
- Levels of satisfaction (perceived).

The baseline data for the above indicators will be gathered and be used prior to displacement of the people. This will be prepared by the RAP implementation consultants/UAHEL during the early stage of implementation.

### **9.3.2 Livelihood improvement**

Post-displacement monitoring will also involve monitoring and follow-up with all economically displaced households. The purpose of the monitoring is to assess their socioeconomic quality of life, as well as to identify PAHs who continue to suffer residual impacts of resettlement despite impact mitigation activities. Based on the analysis of survey data collected as part of this monitoring process, the Project will assess whether or not PAHs have been given a reasonable opportunity to restore their livelihoods. As with physically displaced households, the Project will monitor economically displaced PAHs quarterly during the implementation phase, then move to bi-annual monitoring for an additional three years. The Project will also conduct annual internal reviews of PAH progress and issue internal reports for the duration of these three years. The purpose of these reviews will be to identify general trends as to whether or not PAHs are experiencing success with their chosen livelihoods programme (i.e., extent to which PAHs are on course to restore their livelihoods). This will guide the course for taking corrective action, as needed. The Project will also complete an internal final completion review – to occur at the end of the three year monitoring period – is an important way to document whether PAHs' livelihoods have been fully restored.

If the livelihoods of the vast majority of PAHs have been restored (and the standard of living of physically displaced households restored or improved), RAP and LIP implementation will be considered complete. Livelihoods are considered restored if one of two conditions is met:

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<sup>98</sup> For logistical reasons, the Project will focus M&E activities on those participating in livelihood restoration activities and / or those who remain within the District. However, the inclusion of other PAHs in regular M&E activities will be evaluated on a case-by-case basis, with special emphasis put on the inclusion of vulnerable households.

- During both the mid-term and end term evaluations, the income level of a household is equal to or above the pre-displacement baseline and demonstrably sustainable (i.e., productive inputs remain); or
- If, at a later stage, household income is equal to or higher than pre-displacement income for two consecutive years.

A monitoring survey will be repeated every year for another three years for all PAHs who have not been given the opportunity to restore their livelihoods.

### 9.3.3 Vulnerability Monitoring

The primary objective of vulnerability monitoring is to avoid the occurrence of project-induced vulnerability and to mitigate it where it does occur through preventive and follow-up measures. It is important to monitor effects on PAHs who are especially vulnerable to negative effects of Project displacement and who, without special consideration, may not receive a proportionate share of Project benefits.

To monitor vulnerability, the Project will identify (as part of its negotiation of individual compensation agreements with PAHs) a list of vulnerable PAHs to track and monitor using the identified KPIs as benchmarks. This list will be based on an analysis of the socioeconomic census and land / asset survey results and assessment of the 'Group 1' and 'Group 2' vulnerability indicators outlined in Chapter 8, as well as case-by-case assessments for inclusions / exclusions based on individual situations of PAPs/PAHs as revealed during the individual compensation agreement negotiations. The main function of this list will be to highlight all potentially vulnerable households and to flag them for closer monitoring and potential support. This includes both PAHs that have pre-existing conditions of vulnerability as well as those that may be made vulnerable through resettlement.

PAHs on the list will be monitored periodically according to the above schedule for physical and economic displacement monitoring for as long as they show signs of vulnerability, or until Project impacts have been fully mitigated. If the Project determines that any particularly vulnerable PAHs warrant more frequent monitoring, then they will adjust their monitoring schedule for those PAHs accordingly. In addition to helping to ensure that vulnerable PAHs participate fully in the resettlement process, the list will serve as an "early warning system" to identify potential issues with RAP implementation by following up with vulnerable PAHs through the RAP implementation process. It will also help the Project identify where RAP-related processes and benefits may need to be adjusted to accommodate PAHs with existing vulnerabilities (and when such adjustments are no longer required, i.e., the source of vulnerability has been removed).

The village of Rukma will also be continuously monitored according to procedures laid out in the Project ESIA (relating to noise, proximity to workers' camps, etc.).

## 9.4 External Evaluation

Third-party reviews provide an un-biased examination of resettlement activities, performance, and outcomes. External evaluations can include an annual audit by an independent resettlement expert, RAP completion audits, and / or periodic visits by national and / or regional authorities and other relevant stakeholders. External evaluations aim to evaluate compliance of project activities with project commitments, as well as the effectiveness of planned mitigation measures, particularly with regards to resettlement impacts, and development measures in restoring or enhancing PAH's quality of life and livelihoods. The external audit will also carry out PAPs/PAHs Satisfaction Survey to find out whether the RAP objectives have been met.

This Project's approach to external evaluations will involve an evaluation of the Project's compliance with commitments contained in the RAP and more broadly with the WB ESF, carried out by a third-party auditor with experience in resettlement at the midway point in the resettlement monitoring programme (1.5 years after resettlement).



Objectives of this evaluation are to:

- Assess overall compliance with the RAP, and other commitments related to mitigation of physical and economic displacement;
- Assess the extent to which the quality of life and livelihoods of affected communities are restored or enhanced;
- Provide recommendations to improve RAP implementation and address any gaps; and
- Determine when the completion audit will take place for a given RAP process.

Upon the conclusion of the RAP process (three years after resettlement), the Project will solicit an external RAP completion audit to verify the Project's compliance with Project resettlement commitments defined in the RAP. This audit will establish whether livelihood restoration and restoration of housing and other structures are complete for communities that have been physically and economically displaced. The outcome-focused approach of this audit requires it to be performed following the completion of the all RAP mitigation measures, including compensation and development initiatives. The audit will take place in order to allow time for corrective actions, according to the auditors' recommendations, before a resettlement process can be declared completed by the external auditor.

Reference documents for the completion audit will include the following but not limited to:

- The socioeconomic baseline relevant to the RAP;
- The RAP;
- Internal Monitoring Reports
- The specific objectives of the completion audit include:
  - Assess the effectiveness of measures to avoid and minimize displacement impacts by comparing those identified in the RAP with actual impacts on people and land;
  - Verify that implementation complies with applicable international policies;
  - Verify that all entitlement and commitments described in the RAP have been delivered;
  - Assessment of the fairness, adequacy and promptness of the compensation and resettlement procedures as implemented;
  - Determine whether the measures identified in the RAP have been effective in restoring affected peoples' livelihood, measured through income, employment, assets (land, houses, businesses, livestock, etc.), productivity of land and crop yields, health, education and access to services, social and cultural factors, with an emphasis on the requirement that PAHs be left no worse off, and ideally better off, as a result of displacement;
  - Check on any systemic grievances that may be outstanding; and
  - Identify any corrective actions necessary to achieve completion of RAP commitments.

## 9.5 Monitoring Indicators

**Table 9-1** provides a list of indicators which may be used for monitoring implementation of the RAP.

**Table 9-1: Sample of Potential Monitoring and Evaluation Indicators and Means of Verification**

Type of Indicator	Monitoring Indicators	Potential Means of Verification
Process indicator	<ul style="list-style-type: none"><li>• PAH satisfaction with the information-sharing process for the entitlement matrix and RAP</li></ul>	<ul style="list-style-type: none"><li>• Perception studies (phone / in-person) issued to PAHs</li></ul>



	<ul style="list-style-type: none"> <li>• Adherence to RAP implementation timeline</li> <li>• Timelines for resolution of grievances and PAH satisfaction with results; and</li> <li>• Adherence to RAP implementation and stakeholder engagement process documentation guidelines.</li> <li>• Types and # of resettlement related complaints</li> </ul>	<ul style="list-style-type: none"> <li>• Establishment of key RAP implementation milestones and evaluation of team's performance in adhering to timelines</li> <li>• Monthly GRM reports / statistics</li> <li>• Development of targets for stakeholder engagements / documentation (i.e. # of engagements per month, % of engagements fully documented) and evaluation of team's performance</li> <li>• Proportion of GRM cases recorded and resolved and level of satisfaction (surveys)</li> </ul>
Outcome indicator	<ul style="list-style-type: none"> <li>• Change in the average income per person, per household with respect to previous year;<sup>99</sup></li> <li>• Agricultural productivity improvements as result of LRP interventions;</li> <li>• Successful completion of training programmes by PAHs;</li> <li>• Employment opportunities (quality and quantity) availed by each PAH;</li> <li>• Improvement in standard of living indicators – housing conditions, energy access, sanitation, drinking water supply, use of modern equipment; and</li> <li>• Satisfaction level of PAH with the extent to which their quality of life and livelihood have been restored.</li> </ul>	<ul style="list-style-type: none"> <li>• Follow-up socioeconomic survey(s)</li> <li>• Quantitative measurements of agricultural production quality / quantity</li> <li>• LRP training logs / attendance sheets / completion rates</li> <li>• Employment data (from employers and self-reported by households, potentially as part of aforementioned socioeconomic surveys)</li> <li>• Establishment and measurement (via team observation and / or self-reported by PAHs in socioeconomic survey) of select standard of living indicators</li> <li>• Perception studies (phone / in-person) issued to PAHs</li> </ul>

The baseline data for the above indicators will be gathered and be used prior to displacement of the people. This will be prepared by the RAP implementation consultants/UAHEL during the early stage of implementation.

<sup>99</sup> Given that few PAH's have a formal income, this determination will be made based on what PAHs reported, and what the Project is able to triangulate through consultations with local authorities and households.

## 10. PROJECT IMPLEMENTATION

This chapter presents the Project's strategies for allocation and distribution of allowances and compensation and implementation of the livelihood restoration programmes presented in previous chapters. The proposed implementation strategy takes into account feedback received from local authorities, and communities collected by the Project during community consultations and RAP disclosure processes described in Chapter 4.

### 10.1 Finalization of RAP and Additional Studies Required

This RAP including an indicative final budget of NPR 3337.47 million (USD 28 Million). Now that RAP disclosure has occurred and a baseline for the Project has been established (see Chapter 4), the following tasks will be undertaken to finalize the RAP.

- Verification of land / assets changes since original survey date; and
- Establishment of baseline values for M&E per Chapter 9.

The Project will continuously monitor according to procedures laid out in the Project ESIA (relating to air, noise, proximity to workers' camps, etc) –in Rukma .

### 10.2 RAP Implementation Team

The overall responsibility for RAP implementation will be with Project Manager. For the purpose of implementing the RAP, the Project will appoint a Resettlement and LRP Coordinator (also referred as 'Resettlement Coordinator'). This Resettlement Coordinator, who will preferably be selected from the UAHEL's Project Implementation Team, will be located at the project site office and will report to Project Manager. S/he will have the overall responsibility for implementing this RAP.

Duties include the following:

- Coordinate with head office in Kathmandu for the purpose of RAP implementation;
- Coordinate RAP-related matters with district level government agencies as required;
- Provide prompt responses to RAP-related grievances / feedback received through the GRM; and
- Conduct regular internal monitoring and reporting on the implementation of the RAP.

The Resettlement Coordinator will be closely assisted in RAP implementation by other UAHEL staff including the CLO who will oversee the PIC and will be primarily responsible for driving stakeholder engagement and managing the GRM process and, if necessary, a Resettlement Assistant.

#### 10.2.1 External RAP Implementation Team

UAHEL will hire two implementation consultants to implement the RAP.<sup>100</sup> Given the nature of implementation and required coordination, the Project will seek implementation agencies that have the following roles / areas of expertise:

**Land Acquisition / Compensation Implementation Consultant (LACIC):** The LACIC consultant will work closely with UAHEL to implement land acquisition and resettlement activities as per the final approved RAP. An indicative scope of work for the LACIC is:

- Develop individual compensation agreements for each PAH;

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<sup>100</sup> Depending on the availability and capacities of specialized agencies in Nepal, the Project may decide to hire one implementation agency to oversee both the LRP implementation as well as the land acquisition / compensation component of the RAP. Project implementation requires a team of three full-time, local implementation team members and one part-time international RAP consultation. How these three positions are divided up between the two agencies will depend on the agencies' relative capacities and UAHEL's ultimate decision concerning whether to hire one or two implementation agencies. Further, depending on the UAHEL's internal capacity, they may wish to hire more / less external people to assist with Project implementation.

- Assist UAHEL to work with the CDC and the relevant government agencies to finalize compensation negotiations;
- Conduct additional census activities for absentee households as required;
- Conduct additional land / asset survey activities as required;
- Provide assistance to UAHEL to coordinate the land transfer process with the Government of Nepal;
- Provide financial literacy trainings prior to compensation; and
- Provide assistance in setting up joint bank accounts for PAHs where required.

**LRP Implementation Consultant (LRPIC):** An indicative scope of work for the LRPIC is:

Conduct market assessment of the proposed LRP trainings and finalize the trainings in coordination with the local government and PAHs;

Deliver the training programmes in compliance with the indicated timeframe and terms of their contract;

Adapt the livelihood restoration measures in response to any changes on the ground and with due consultation;

Implement the LRP in a timely and effective manner broadly in line with the implementation timeline;

Support the UAHEL to undertake internal monitoring and evaluation of the LRP; and

Coordinate with UAHEL on engaging and monitoring PAHs.

### **10.2.2 Implementation Structure**

The Resettlement Coordinator will be closely assisted in RAP implementation by other UAHEL staff, including a Resettlement Assistant (to be appointed by UAHEL, preferably from the Project Implementation Team), and the CLO who will be placed at site and will be responsible for coordinating with government agencies, driving stakeholder engagement, managing the GRM process, and overseeing the PIC. The Resettlement Coordinator will be responsible for managing the LRPIC and LACIC.

The LACIC team – all of whom will be based on site – will have at least the following expertise in their team:

- Resettlement specialist;
- Database expertise.

All the above staff will be hired within **three** months of RAP approval.

The LRPIC team will have prior experience of having provided market based trainings on the proposed area of training in the LRP. Interpreters will be hired as necessary.

Given the complexity of RAP implementation and the need to ensure compliance with the approved RAP document, a part-time international RAP advisor will be included to work closely with the Project Implementation Team and LRPIC / LACIC. This person will be hired within three months from approval of this RAP.

### **10.2.3 Implementation Approach**

#### **10.2.3.1 Land Acquisition Implementation**

As shown below in Figure 11-1, the implementation team will work closely with relevant local authorities / government agencies responsible for overseeing the land acquisition process. More specifically, the Project will work in cooperation with the CDC to establish compensation rates through provision of the valuation information provided by the Project. Now that UAHEL has invoked the Land Acquisition Act,

the CDC will review the documentation provided by UAHEL (i.e. the valuation and land / asset survey results) and communicate its decision re: the approved valuation / compensation rates to the Project.

Where the stated rates align with the concept of full replacement value (as described in Chapter 3 and provided for in the Compensation Matrix in Chapter 6), the Project will accept those rates and use them as the basis for compensation to eligible PAHs. Where those rates fall below that which would be required to meet full replacement value, the Project will take steps to align the compensation amounts with replacement costs.

The Project discussed the valuation methodology with district authorities who will form part of the CDC committee during the fieldwork in November 2020. These authorities include the Chief District Officer, Land Revenue Department Officer, and Land Survey Department officials. The Project also discussed the valuation methodology with the Project-affected households and other community members (including members of the Project Concerned Committee, a community-based committee to represent community interests in conversations with the Project) during the consultation and disclosure process outlined in Chapter 4.

### **10.2.3.2**      *Livelihoods Restoration Implementation*

For the implementation of the LRP described in Chapter 7, the Project will mobilize key training organizations qualified to deliver the trainings described in Chapter 7. The Project's livelihood expert will work closely with the Council for Technical Education and Vocational Training (CTEVT) to identify appropriate vocational trainings and apprenticeship programs at the provincial and local levels that align with community interests and the Project priority of re-establishing existing livelihoods (where appropriate).

To ensure that the trainings provided result in income generation, the implementing agency (i.e. the LRPIC agency) conduct a market assessment prior to the finalization of the trainings. Trainings will be selected from the CTEVT curriculum and specific trainings will be finalized in coordination with the PAHs prior to disbursement of compensation based on their interests as well as the results of this market assessment. The trainings may include business related trainings for existing businesses, technical trainings to meet requirements for employability in the construction phase, or other vocational trainings to cater to the market that may be created by the influx of workers (e.g. sourcing of vegetables, mobile phone repair, etc.). Any trainings proposed by the Project either for livelihood restoration or for benefit-sharing purposes will be designed to complement the existing available trainings and programmes offered by CTEVT to avoid duplication and maximize benefits for the local communities.

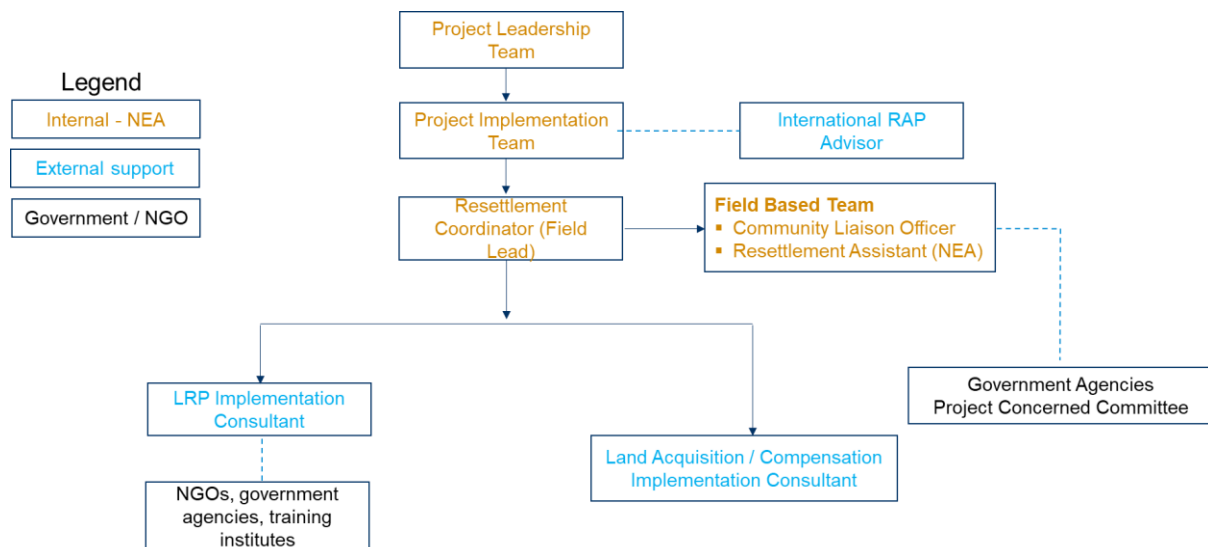
To ensure that women can avail the trainings, mobile trainings are recommended with additional support for women to participate in such trainings (e.g. childcare support). Also, the trainings will have to be undertaken at a time when domestic workload is minimal, and at a time that is most feasible for the communities. At least 50 percent of the trainings will be set aside for women.

During implementation, loss of individual assets and their baseline characteristics will be monitored to measure the changes in the living standards against the baseline. The final audit will propose some additional measures required to improve their living standards. Individual cadaster files along with supporting information and photographs will be created and monitored.

**Unanticipated Impacts.** During RAP implementation, the project may encounter additional impacts which may be difficult to anticipate. Any such unanticipated impacts or additional impacts encountered during implementation, those will be documented, and an addendum will be prepared in line with this RAP principles and be implemented and the required budget will be made available.

### 10.2.4 Implementation Organigram

The below organigram (**Figure 10-1**) demonstrates a potential implementation team structure in graphical form (this may change based on UAHEL preferences and internal capacity).



**Figure 10-1: RAP Implementation Organigram**

### 10.2.5 Implementation Schedule

**Table 10-1** presents the implementation schedule for the RAP.

Table 10-1: RAP Implementation Schedule

	2023				2024				2025				2026				2027				2028				2029	
	Q1	Q2	Q-3	Q-4	Q1	Q2	Q-3	Q-4	Q1	Q2	Q-3	Q-4	Q1	Q2	Q-3	Q-4	Q1	Q2	Q-3	Q-4	Q1	Q2	Q-3	Q-4	Q-1	Q-2
UAHEL-to start process start land acquisition (2079/04/26 (August 11, 2022))																										
UAHEL to disburse compensation of land through CDC																										
Contracting of implementation consultant																										
Identification and implementation of additional studies (as required)																										
Construction of replacement dwellings (up to 6 months)																										
Disbursal of compensation one-time allowances / payments																										
Disbursal of ongoing allowances / payments (up to 12 months)																										
Livelihoods Restoration Programming – training programmes																										
Livelihoods Restoration Programming – all other programmes																										
Monitoring of physical displacement / resettlement (quarterly then bi-annually)																										
Monitoring of economic displacement / livelihood restoration (quarterly then bi-annually) *																										
Internal RAP reviews (annual)																										
Internal RAP review (completion)																										
External RAP audits (annual)																										
External RAP audits (completion)																										

\* As explained in Chapter 9, a monitoring survey will be repeated once a year for an additional three years for all PAHs who have not been given the opportunity to restore their livelihoods

### 10.3 Timelines for additional actions

In addition to the above timelines, the following timelines will be adhered for implementation of other identified actions.

- a) Impacts to Community Forest Areas: Consultations and agreements will be completed with Community Forest Committees to mitigate the impacts due to loss of community forest areas to the project prior to taking over of such lands and agreed measures will be implemented in a time bound manner.
- b) Options for resettlement. In case of all physically displaced households, the written options as available in this RAP will be obtained prior to commencement of valuation of affected houses/business and those will be implemented prior to shifting of the displaced households.
- c) Escrow Account. This will be established within one month of any incident of refusal or non-availability landowners to receive land compensation. These lands will be taken over only after compensation amounts are transferred into escrow account.
- d) Unviable land parcels. The process for surrendering the unviable land parcels will start with notification of criteria within Nine months of RAP approval in coordination with CDC. Affected PAHs will be given six weeks to apply and acquisition of unviable land will be completed by 30 June 2024.
- e) Constitution and Notification of GRM committees. All proposed GRM committee will be constituted and notified within 3 months of RAP approval.
- f) Reimbursement of Transaction Costs. The compensation amount determined by CDC already includes Capital Gains tax. Any other expenses incurred by PAPs in receipt of compensation will be reimbursed by UAHEL.
- g) Payment of Additional Allowances. All additional allowances as described in Table 8.1 will be paid to the eligible households prior to taking over of their lands or vacating the affected houses/businesses.
- h) Staffing. All staff required for implementation of this RAP will be hired within 3 three months of approval of RAP.
- i) Inflation adjustment of Cash allowances. All Cash amounts proposed in this RAP are as of January 2023. These will be revised for inflation and adjusted and adopted as of January 01, each year.

### 10.4 Detailed Budget

The total estimate of the RAP including compensation disbursements, training and other LIP component implementation, and M&E is presented below in **Table 10.2**. This budget is preliminary and does not include costs associated with any of the RoW areas indicated in previous chapters; the total budget will depend on outcomes of pending decisions concerning project design, as well as – for the implementation portion – UAHELs internal capacity to fill required roles and desired approach to implementation.

It is also important to note that the figures for land costs (Item 1.1 in **Table 10-2**) reflect the cost to purchase the land at the rates calculated by the Project. However, as detailed in Chapter 6, the Project will provide incentive if the PAH purchase land within a ceiling of compensation amount wherever possible, particularly for vulnerable households. While a cost for the incentive option is indeed included in the budget (Item 3.3), the costs of such incentives cannot be known until individual compensation agreements have been negotiated and the Project knows how many PAHs opt for incentivized replacement land. Therefore, the 'land cost' item in the budget should be seen as very preliminary and not yet aligned with the costs of providing replacement lands (or incentives for replacement lands) where circumstances demand. The total indicative budget estimate of RAP implementation is in Table 10-2.

**Table 10-2: Indicative Proposed Budget for RAP Implementation**

Item. Number	Expenditure	Rate (NPR)	Quantity	Total Cost (NPR)
<b>1.0</b>	<b>COMPENSATION (Land, Structures, Crops)</b>			
1.1	Land (ha)	89,699,786	196	1,793,995,713
1.2	Structures (No.)	77,715	108	83,93,252
1.3	Trees (No.)	2,860	3657	10,460,741
1.4	Crops (ha)	4,779,322	78.23	373,886,384
<b>SUBTOTAL 1</b>				<b>2,178,342,838</b>
<b>2.0</b>	<b>ADDITIONAL FINANCIAL ASSISTANCE</b>			
2.1	Transport Costs	42,684	22 HHs	939,048
2.2.	Transaction Costs	10% of land costs	10% of land costs	179,399,571
2.3	Transition Allowance based on agriculture income for 6 months			28,623,360
2.4	Vulnerability Allowance	90,000	240 PAHs <sup>101</sup>	21,600,000
2.5	Food Security Allowance	22,078	240 PAHs	5,298,720
2.6	Rental Allowance	15,000	22 PAHs	330,000
<b>SUBTOTAL 2</b>				<b>236,190,687</b>
<b>3.0</b>	<b>LIVELIHOOD RESTORATION ACTIVITIES</b>			
3.1	Skills Training	40,000	850 PAPs <sup>102</sup>	34,000,000
3.2	Financial Management Training	10,000	10 group sessions (for 335 PAHs) <sup>103</sup>	100,000
3.3	Incentives for replacement land	20% of total land cost <sup>104</sup>	TBD	358,799,142
<b>SUBTOTAL 3</b>				<b>392,899,142</b>

<sup>101</sup> Based on estimate of 75% of PAHs suffering vulnerability (per estimate in Chapter 8). Precise numbers will need to be determined in communication with PAHs during individual compensation agreement negotiations as some indicators of vulnerability may not ultimately – in the particular situation of the PAH – constitute vulnerability (e.g. wealthy FHHs with adequate support networks and consistent income). Furthermore, some instances of vulnerability may not have been captured by the socioeconomic survey or land and asset survey (e.g. some PAPs may not have felt comfortable reporting disabilities).

<sup>102</sup> Assuming approximately 50% of PAPs participate in training (recalling that *all* PAPs over the age of 16 are eligible to participate in the agricultural and livestock intensification training, in addition to one PAP per household being eligible to participate in one of the other trainings offered).

<sup>103</sup> Assuming one participant per PAH – training sessions will be given to larger groups at a rate of approximately 10,000 NPR / session. The Project estimates 10 sessions will need to be held to accommodate all interested parties).

<sup>104</sup> As outlined in Chapter 7 the range of incentives for PAHs receiving cash compensation to purchase land ranges from 5% of total land cost (for non-vulnerable PAHs purchasing inside the Bhotkhola Municipality) to 15% (for vulnerable PAHs purchasing land inside the Bhotkhola Municipality); given that not all PAHs will accept this incentive, and only 72% of PAHs (the preliminary number of potentially vulnerable PAHs) potentially qualify for the 25% incentive level, this figure was calculated conservatively at 20% of total land costs.



<b>4.0</b>	<b>RAP IMPLEMENTATION</b>			
4.1	International resettlement specialist to oversee RAP implementation and M&E			30,000,000
4.1	LACIC Specialist			18,000,000
4.2	LRPIC Specialist			12,000,000
<b>SUBTOTAL 4</b>				<b>60,000,000</b>
<b>5.0</b>	<b>RUKMA RESETTLEMENT</b>			
5.1	Rukma School Relocation Cost			3,000,000
<b>SUBTOTAL 5</b>				<b>3,000,000</b>
<b>TOTAL</b>				<b>2,870,432,667</b>
6.0	CONTINGENCY @ 10% of Total			287,043,267
7.0	Provisional Amount (Additional relocation if required)			180,000,000
<b>GRAND TOTAL (without Provisional Amount)</b>				<b>3,157,475,934</b>
<b>GRAND TOTAL (with Provisional Amount)</b>				<b>3,337,475,934</b>

Note: If required additional budget will be provided to implement all the activities proposed in the RAP.

## 10.5 Progress in Land Acquisition and Compensation Payment

The Project coordinated with the CDO to initiate Section 9 of LAA, which formally sets in motion the land acquisition process and established the Project eligibility cut-off date of 2079/04/26 (August 11, 2022). It is also at this point that the government body responsible for valuing land and assets – the CDC – will conduct their verification/ evaluation process of the proposed land and asset valuations submitted by the Project. This governmental evaluation process may include consultation with relevant district authorities regarding the appropriate market price for different asset types. The land acquisition has started and approximately 100 HHs out of 335 HHs so far have received payments for land as of January 26, 2023. The Land Rates fixed by Land Compensation Committee was based on rate of Land Revenue Office (LRO), the compensation rate of nearby Projects Kimathanka Arun Hydropower Project, Arun 3 Hydropower Project and the land rates fixed by Land Compensation Committee are in following category:

- Land without Cardamom: 700,000/ ropani (508 sq. m.)
- Land with Cardamom: 950,000 /ropani (508 sq. m.)
- Land with Road Access: 1,000,000/ ropani (508 sq. m.)
- Land with Road Access with settlement: 1,500,000. / ropani (508 sq. m)