



Technical Assistance Consultant's Report

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TA 7566-REG: Strengthening and Use of Country Safeguard Systems

Subproject: Strengthening Involuntary
Resettlement Safeguard Systems (Nepal)

TECHNICAL GUIDELINES FOR LAND ACQUISITION, RESETTLEMENT, AND REHABILITATION POLICY FOR INFRASTRUCTURE DEVELOPMENT PROJECTS 2071

Prepared by Bhim Prasad Subedi

This consultant's report does not necessarily reflect the views of ADB or the Government concerned, and ADB and the Government cannot be held liable for its contents.

Asian Development Bank



Consultant's Report

**TECHNICAL GUIDELINES FOR
Land Acquisition, Resettlement and Rehabilitation
Policy for Infrastructure Development Projects
2071**

TA 7566 REG: Strengthening and Use of Country Safeguards
System

NEP Subproject: Strengthening Involuntary Resettlement
Safeguard Systems in Nepal

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September, 2014

Abbreviations/acronyms

ADB	-	Asian Development Bank
AP	-	Affected persons
BS	-	Bikram sambat
CBO	-	Community-based organization
CDC	-	Compensation Determination (Fixation) Committee
CDO	-	Chief District Officer
CSO	-	Civil Society Organization
DDC	-	District Development Committee
DP	-	Displaced persons
EA	-	Executing Agency
GRM	-	Grievance redress mechanism
HH	-	Households
IA	-	Implementing Agency
IAIA	-	International Association for Impact Assessment
IOL	-	Inventory of Losses
ISA	-	Initial Social Assessment
LA Act	-	Land Acquisition Act
NGO	-	Non-governmental organizations
POE	-	Panel of Experts
RP	-	Resettlement Plan
SIA	-	social Impact Assessment
SPS	-	Safeguard Policy Statement (2009)
THL	-	Tanahu hydro Limited
TOR	-	Terms of references
VDC	-	Village Development Committee
WB	-	The World Bank

Glossary of the Terms

Adivasi/janajati: Social groups as defined by Adivasi Janajati Utthan Prathisthan Ain 2058 BS and listed in its Annex who have their own mother tongue, separate cultural identity, traditional system, separate social structure with written or non-written history.

Affected or displaced persons: In the context of involuntary resettlement, affected or displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihood) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Compensation: Payment in cash or in kind for an asset or a resource that is acquired or affected by a project at the time the asset needs to be replaced.

Cut-off date: The completion date of the census of project-displaced persons is usually considered the cut-off date. A cut-off date is normally established by the borrower government procedures that establish the eligibility for receiving compensation and resettlement assistance by the project displaced persons. In the absence of such procedures, the borrower/client will establish a cut-off date for eligibility.

Dalit: Caste group or community listed as *Dalit* by the National *Dalit* Commission from time to time.

Economic displacement: Loss of land, assets, access to assets, income sources, or means of livelihood as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Eminent domain: The right of the state using its sovereign power to acquire land for public purposes. National law establishes which public agencies have the prerogative to exercise eminent domain.

Entitlement: Resettlement entitlements with respect to a particular eligibility category are the sum total of compensation and other forms of assistance provided to displaced persons in the respective eligibility category.

Expropriation: Process whereby a public authority, usually in return for compensation, requires a person, household, or community to relinquish rights to land that it occupies or otherwise use.

Host communities: Communities receiving physically displaced persons of a project as resettlers.

Household: People living under the same roof and sharing the same kitchen.

Household head: The bread earner of a household or a person who has authority to decide on the access and use of resources in the household.

Income restoration: Re-establishing productive livelihood of the displaced persons to enable income generation equal to or, if possible, better than that earned by the displaced persons before the resettlement.

Landholding: Total land of a person including owned land and tenancy land.

Meaningful consultation: A process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues.

Marginal farmer: Farmer who has marginal landholding.

Marginal landholding: Family who owns less than the minimum landholding defined as marginal landholding by the government of Nepal or its authorized agency.

Physical displacement: Relocation, loss of residential land, or loss of shelter as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas.

Replacement Cost: Replacement cost involves replacing an asset at a cost prevailing at the time of its acquisition. This includes fair market value, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures should not be taken into account for replacement cost. Where there are no active market conditions, replacement cost is equivalent to delivered cost of all building materials, labor cost for construction, and any transaction or relocation costs.

Relocation assistance: Support provided to persons who are physically displaced by a project. Relocation assistance may include transportation, food, shelter, and social services that are provided to the displaced persons during their relocation. It may also include cash allowances that compensate displaced persons for the inconvenience associated with resettlement and defray the expenses of a transition to a new locale, such as moving expenses and lost work days.

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1. Introduction

1.1. The Purpose of Technical Guidelines

Nepal's history of legal instruments regulating land, property acquisition and compensation dates back to 1956 (2013 BS). The Immovable Property Acquisition Act (*Achal Sampati Adhigrahan Ain*) 2013 BS (1956) and Immovable Property Acquisition Rules (*Achal Sampati Adhigrahan Niyamharu*) 2016 (1959) were the first two legal instruments aimed at regulating land (and property) acquisition in the country. The Land Acquisition Act (*Jagga Prapti Ain*) 2018 BS (1961) attempted further refinement and regulation of legislations related to land acquisition. The Act was further elaborated at the operational level through enactment of Land Acquisition Rules 2026 (1969). These acts and regulations were considered to have limited value and therefore the Government of Nepal enacted the Land Acquisition Act of 2034 BS (1977) which replaced the Land Acquisition Act of 1961. Till present, the Land Acquisition Act 2034 (1977) has remained the main legal instrument or framework for land and property acquisition in the country. The effectiveness of the L. A. Act 2077 is further constrained with the absence of proper regulation.

Nepal has recently drafted Land Acquisition, Resettlement and Rehabilitation Policy for Infrastructure Development Projects, (LARRP) 2071. The policy emphasizes creating environment conducive to timely completion of development projects by taking into account of the growing expectations of people and the constraints of land acquisition for the development project and transparency of project activities. The purpose of this guideline is to provide detailed guidance to the project implementers both public and private sector and all concerned people and institutions in addressing social issues in development projects in general and in planning and implementation of resettlement plans in particular. It also provides guidance for conducting social impact assessment in projects with physical and economic displacement as well as projects with indirect impacts on population within or beyond the project areas.

This is a draft document and a generic guideline. The Land Acquisition, Resettlement and Rehabilitation Policy for Infrastructure Development Projects 2071 states that each sectoral ministry will prepare sector specific guidelines for resettlement planning and implementation.

1.2 Organization of the Document (Project Cycle)

Organization of this guideline follows a standard of project cycle approach. The document is organized into 15 main sections. The first section provides an introduction with stating the main purpose of the document, its organization and acknowledgement of the various sources utilized for preparing this document. The second section discusses the initial screening in the project so that steps to minimize project impacts are followed from very early in the projects. It also describes the ways to categorize the projects based on the extent of impacts. The third section provides a brief sketch of how to coordinate with the detailed design team in order to minimize the overall project impacts.

The fourth section discusses the rationale, the process, the tools and documentation of social impact assessment. The fifth section primarily focuses on resettlement planning. The census surveys and inventory of losses, the cut-off date for entitlement, and consultation and participation in the project cycle activities have been elaborated. Preparation of resettlement plan has been discussed at the end of fifth section. The sixth section concentrates on ways and means of livelihood restoration and rehabilitation.

The seventh section deals with institutional mechanism for resettlement plan implementation. The eighth section is about grievance redress mechanism. In particular it discusses the concepts, responsibility and operational mechanism and documentation of grievance redressal process. The ninth section is about national policies, laws and regulations that form policy framework for the project. The need for a gap analysis between national policies and the project policy framework if needed is also discussed in this section.

The tenth section covers the disclosure and endorsement of resettlement plan and the social safeguard framework. It pays particular attention to timing and process of information disclosure, the endorsement of resettlement and social safeguards framework and documentation of disclosure. Section eleven deals with updating and finalizing a resettlement plan. The twelfth section discusses the resettlement plan implementation in detail i.e., from preparations required to payment of compensations.

The thirteenth section concentrates on valuation of assets affected by the project activities. The valuation mechanism, participation of affected households and documentation of valuation

process is discussed in this section. The fourteenth section deals with resettlement supervision, monitoring, evaluation, and reporting. It also discusses the disclosure of monitoring reports, the project evaluation and the lessons learnt. Section 15 covers sector specific issues in resettlement. It describes resettlement issues in linear projects and urban sector projects. At the end it also summarizes the key issues relating to disadvantaged groups in the resettlement planning and implementation.

1.3 Acknowledgements

A number of documents have been consulted and their materials utilized in this guideline.

The main among these documents include ADB's Policy Paper SPS 2009, Handbook on Involuntary Resettlement; ADB's Gender and Resettlement Checklist, February 2003; World Bank's Involuntary Resettlement Source Book: Planning and Implementation in Development Projects, 2004, ADB's Involuntary Resettlement Safeguards :A Planning and Implementation Good Practice Sourcebook – Draft Working Document 2012, Technical Guidelines on Compensation and Resettlement in Development Projects of Lao People's Democratic Republic 2005, and International Association for Impact Assessment (IAIA)'s Social Impact Assessment: International Principles, 2003. Nonetheless the main focus has been to make this document as specific to Nepal's country specific context as possible.

2. Initial Screening of the Project

2.1 Initial impact assessment at pre-feasibility and feasibility level

The need for social assessment in development projects is emphasized in Land Acquisition, Resettlement and Rehabilitation Policy for Infrastructure Development Projects (LARR) 2071 (2014). Information on Initial Social Assessment (ISA) on potential social issues and likely impacts that the development interventions i.e., the project may cause needs to be collected and assessed during the pre-feasibility (ISA) stage. ISA is an important activity which forms the basis for more detailed studies during the project preparation stage.

Gender, resettlement, ethnic minorities, and other vulnerable groups including the poverty groups are the main social issues and concerns that relate to the ISA. The purpose of such assessment is to assess the scope of the relevant social issues and concerns in a project and

identify the need for further in-depth surveys and documentation requirements during the project preparation. In addition, ISA should also identify whether or not relevant social issues could be integrated and covered by one consolidated document. For example, if caste/ethnic minority issues are identified in a project, in addition to resettlement, the resettlement plan (RP) could be prepared incorporating 'caste/ethnic minority development plan', attached as an annex to the RP. Likewise, if a project involves minor resettlement component but affects caste/ethnic minority groups, the RP may primarily be an 'Ethnic Minority Development Plan'.

Furthermore, the ISA may also indicate the likelihood of substantial gender impact which means a detailed gender assessment would be warranted during project design and subsequently a project-specific gender action plan is prepared. As far as possible if a single document can integrate all social dimensions it would mean an efficient use of resources during project preparations and implementation.

Since the Projects vary with respect to the need and mechanism for integration of social dimensions a social scientist / resettlement specialist should be assigned to the project on a case-to-case basis at this stage.

2.2 Working with technical team to reduce impacts

Subsequent to the screening, the project proponent will conduct necessary field studies and other background investigations as recommended by the screening. The proponent carries out public hearings and information campaign to inform the public about the project components, types of impacts, content and schedule for the census and inventory or other background surveys.

The social team works closely with the technical team. This is important because the concerns of technical team may be more on maximization of benefits through optimal design but in the mean time the impact of such designs on the livelihoods of the local people may have been overlooked. Moreover, the input from the social team in the initial design phase is helpful to look for alternative locations and design at the early stage of the project. This in turn, will not only minimize impacts but also helps to build positive environment for project completion on time and in a cost effective manner.

There will be differential impact of the project despite equal amount of loss of productive assets by families. The degree of impact on disadvantaged groups such as ethnic minorities, dalits,

single women, differentially able persons may be severe. In addition, in case of any likely impact on cultural properties and religious structures in the community such as temples, shrines, monasteries, mosques etc., it is important to revisit the project design parameters to avoid any impacts on such structures. Early consultation with APs on their views upon such likely impacts and the alternatives is required. In such cases the social team may provide valuable options, and the views of local people to minimize the impact and the alternative provisions.

2.3 Information required

Annex 1 provides a checklist for collecting information for ISA. This checklist covers the possible social risks that a displaced person and/or the household may experience due to the project. ISA should be carried out through field visits to selected areas and dialogue with the key stakeholders. The information from ISA provides the basis for assessment of the types of information and depth of analysis required and documentation necessary for project processing. In addition the information collected will help to estimate professional inputs and the skills required, and to prepare TOR for succeeding phase of project preparation. The scope of the ISA should be expanded to include additional information on the degree and scale of likely impacts on vulnerable groups that would enable proposed categorization of projects and in determining the types of documents required. Active involvement of a resettlement specialist or a social scientist with experience in resettlement, as member of the project team, is a must for conducting ISA, and during the project preparation and implementation stage.

2.4 Categorization of the project

Based on the information collected during the ISA, the severity of impacts and the level and depth of subsequent field surveys and documentations such as RP will be determined. In general, the scale of impact is recorded as 'significant' and 'insignificant'. The criteria to determine the scale of impact is based on the number of people affected in a project. According to The R&R policy 2071 the projects are categorized into three categories: i) projects having severe impacts, ii) projects having moderate impacts, and iii) projects having marginal or low impacts. Projects with severe and moderate impacts require preparation of Full Resettlement Plan while projects with low impacts may require preparation of Land Acquisition and Compensation Plan. Since the criteria based on the threshold of number of people affects does

not take into account of the severity of impacts at the household level, the screening criteria should take into consideration of both - the scale (number of affected people, vulnerable groups, ethnic minorities and the degree (severe or marginal) of impacts).

From the perspective of social safeguards, Projects are categorized as follows:

Social Category A: Projects that displace 100 or more families in the Tarai, 75 or more families in the Hills and 50 or more families in the Mountain regions physically or economically or both – physically and economically. In case of economic displacement only some families lose more than 10 percent of their productive assets. A full Resettlement Plan is required.

Social Category B: Projects that displace less than 100 families in the Tarai, less than 75 families in the Hills and less than 50 families in the Mountain regions physically or economically or both –physically and economically. In case of economic displacement only some families lose more than 10 percent of their productive assets. A full Resettlement Plan is required.

Social Category C: Projects that does not involve physical displacement but economic displacement only. The economic loss of any displaced persons will not be more than 10 percent of his/her productive asset. Land Acquisition and Compensation Plan is required.

3. Coordination with Detailed Design Team

3.1 Role of social safeguard team

The role of social safeguard team is directly related to dealing with why should a project address social (resettlement) issues? A few considerations that justify the addressal of social and resettlement concerns include:

- Human being is the ultimate objective of development
- Citizens have sovereign human rights derived from national and international laws
- Equity, fairness and social justices are the prime concerns of development
- Better project preparation and management is possible only with due consideration of social-cultural context of the project area
- Protection of displaced and disadvantaged groups of people created by the development process,
- Protection of the future of development itself

Taking into account of the above considerations the role of social safeguards team includes the followings:

- Consult with affected persons and all other stakeholders at various geographic level and at various stages of project development
- Undertake census and socio-economic survey works, group discussions etc
- Avoid and if not possible, minimize the resettlement impacts of the project
- Assess policy and legal framework, institutional framework, and entitlements
- Carry out equivalence assessment with international best practices and recommend improvements in the existing framework, if needed,
- Prepare entitlement matrix
- Formulate strategy to compensate the loss of non-titleholders, if necessary
- Prepare Land Acquisition and Compensation Plan and Resettlement and Rehabilitation Plan according to the social category of the project,
- Identify relocation sites and other relocation options, if necessary
- Carry out all necessary surveys and consultations of the identified relocation site/s
- Prepare implementation schedule of resettlement activities based on overall project schedule
- Develop institutional framework
- Design, if necessary or develop grievance resolution procedures,
- Establish monitoring and evaluation mechanism and provisions for reporting
- For projects of social category A (with significant resettlement component), establish provisions for independent Panel of Experts (POE) for bi-annual review of Resettlement Plan implementation
- Establish provision for post-evaluation

The social impact related issues in general and the involuntary resettlement issue in particular are often relegated from main project design and the primary role of social safeguards team is to streamline social issues in the project design and develop methodology to address them. This should be done by working together with the detail design team. During the course of final design, a review of draft RP and modification of entitlements may be required and the social team is responsible for this.

3.2 Facilitation of community consultations

Land Acquisition, Resettlement and Rehabilitation Policy 2071 stresses that the displaced persons should be meaningfully consulted and should get opportunity to participate in planning and implementing the social safeguards programs. Resettlement and Rehabilitation Plan prepared as per LARRP 2017 should include measures to ensure that the DPs or APs are consulted on, offered choices among and provided with technically and economically best possible resettlement alternatives.

Consultation is a two way transfer of information where the participants share their ideas and/or information. The importance of consultation in identifying and settling social issues is far more important than technical or other issues. Issues such as selection of relocation sites, feasible resettlement alternatives, procedures for continued participation and individual level information on resettlement alternatives are better resolved through community consultations. Participation is equally important. The DPs who lose their productive assets must themselves be able and willing participants in the consultations if they are to restore their livelihoods and increase productivity. The participation of DPs in the decision making that affects their lives largely helps diminish their perceived risk of vulnerability which they may have developed through rumors and misinterpretation about project.

Efficient facilitation of consultation and participation is crucial during all stages of social safeguards planning and implementation. For this, the social team has to consider the followings:

Efficient structuring of participation: Project preparation has restricted time line whereas participatory process is often time consuming and labor intensive. The team can avoid this dilemma by initiating participatory process at the earliest feasible opportunity or event of the project.

Ensuring meaningful participatory process: The current practice of consultations and participations are formal and minimal. The number of participants and the number of meetings are emphasized at the cost of quality, content and level of interaction. Unless people are provided with an opportunity to express their concerns, interests and suggest options and alternatives, the participation cannot be considered effective and meaningful.

Ensuring sufficient representative participation: Who should legitimately represent is difficult to establish and often times, participation process is constrained by representation issue. Conflicts arise and understandings are impeded because of the desire to represent others. In the name of DPs and relevant stakeholders "others" might represent and new demands may arise instead of mutual compromise between DPs and the project proponent.

Risk of making poor decisions: One of the aims of consultation and participation is decision making and sharing responsibility on the decision especially in the case of contentious issues. It is likely that DPs may choose poorly when there are alternatives or options for resettlement entitlements. They may be attracted to short-term returns than the long term ones. They may also change their minds in between. For example, successful resettlement programs prefer income restoration to improvement of living standards while the APs may chose otherwise.

For the Social Team, prior understanding of local context and the overall socio-economic status of DPs and expected participants is essential for efficient facilitation of consultation process. As far as possible, the consultation should be in the language that all participants understand or

else in local language. Use of academic jargons or technical terms should be minimized during deliberations. The Social Team should pay particular attention to these issues and make sure that the consultation process is transparent, participatory and that any decisions are made with informed consent of the APs and the participants of the consultations.

3.3 Minimization of project impact

The foremost objective of LARRP 2071 states "avoidance of physical and economic displacement as far as possible and if unavoidable create a situation of minimal displacement." This statement is a reflection of the recognition that resettlement can be extremely damaging to people and the community. Likewise, the planning and implementation of mitigation measures can be equally complex and costly. More importantly, there is no absolute guarantee that the mitigation measures proposed and implemented are a total success. A project design that reduces the number of affected persons/households and minimizes the severity of potential impacts on the people and the community not only reduces the cost and responsibilities but also the liabilities of the project.

How to minimize resettlement? From the perspective of social safeguards one way to minimize resettlement impact is to design project that minimizes physical and economic displacement. This means minimization of land acquisition and minimization of number of people/households affected due to loss of their productive assets, income generating activities and/or their residence. Setting the main component of the project aside e.g., dam or powerhouse or urban housing, the facilities such as labor camps, the transport corridors can be better sited in or through areas with little or no population. Involuntary Resettlement Source Book (WB 2004:6) states that two points deserve attention to strike a balance between avoiding harm to the potential DPs and accommodating the project initiatives. First, the severity of resettlement impact can vary tremendously and some projects such as rehabilitation of existing roads may affect few people and limited land while others such as reservoir construction may uproot the entire community. Severe impacts on the households and the community are not only difficult to mitigate but also costly and complex. Therefore, more important is the minimizing or avoiding the most potential severe impact than minimizing the aggregate affected persons/households or the amount of land acquired.

Second, minimizing or avoiding land acquisition may not necessarily avoid or minimize adverse project impacts. In the name of minimizing or avoiding land acquisition, people should not be allowed to continue occupying land or continuing to stay in the structures within the project area. By doing so, they may pose hazards to themselves or other project people. Likewise, if land acquisition results into a leaving behind a very small parcel of no use, it would be injustice to the owner.

Minimization of project impact is the principle but in doing so, the Social Team must be careful to strike a balance so that justice prevails to the DPs without much of financial burden to the proponent.

4. Social Impact Assessment

4.1 Rationale

SIA is generally understood as a task of predicting social impacts in a development intervention or in a project. But it is more than this. International Association for Impact Assessment (IAIA), 2003 defines SIA as:

Social impact assessment includes the processes of analysing, monitoring and managing the intended and unintended social consequences, both positive and negative, of planned interventions (policies, programs, plans, projects) and any social change processes invoked by those interventions. Its primary purpose is to bring about a more sustainable and equitable biophysical and human environment.

As a field of research and practice, it relates to the body of knowledge, technique and values and as a methodology it is a process that SIA professionals follow to assess the social impacts of development interventions.

The main rationale for carrying out SIA is to recognize that people, their communities and institutions are crucial to development outcomes and that people, particularly those who are affected directly or indirectly affected by project interventions, are at the center of development. From the perspective of development project the main rationale is ensuring that the development maximizes its benefits and minimizes its costs particularly those costs that are borne by the people. It is not easy to quantify costs. As a result, the developers and regulatory authorities fail to take into account all these costs in advance. The rationale for SIA which identifies social impacts in advance can be stated as: i) making better decisions about which interventions should proceed and how they should proceed; and ii) implementation of mitigation measures to minimize the harm and maximize the benefits from a specific development intervention.

4.2 Framework for Social Impact Assessment

The core values of SIA are (IAIA, 2003):

- There are fundamental human rights that are shared equally across cultures, and by males and females alike.
- There is a right to have those fundamental human rights protected by the rule of law, with justice applied equally and fairly to all, and available to all.
- People have a right to live and work in an environment which is conducive to good health and to a good quality of life and which enables the development of human and social potential.
- Social dimensions of the environment – specifically but not exclusively peace, the quality of social relationships, freedom from fear, and belongingness – are important aspects of people's health and quality of life.
- People have a right to be involved in the decision making about the planned interventions that will affect their lives.
- Local knowledge and experience are valuable and can be used to enhance planned interventions.

The following activities form part of SIA framework:

- Participation in the environmental design of the project i.e., planned intervention,
- Identification of stakeholders especially the affected people and the interested ones,
- Facilitation and coordination of the participation of stakeholders,
- Documentation and analysis of the local historical/cultural setting of the project (planned intervention) so as to be able to interpret responses to the intervention, and to assess cumulative impacts,
- Collection of baseline data (social profiling) to allow evaluation and audit of the impact assessment process and the planned intervention itself,
- Providing detailed scenario of the local cultural context and development of an understanding of local community values, particularly how they relate to the planned intervention,
- Identification and description of the activities which are likely to cause impacts (scoping),
- Prediction or analysis of likely impacts and how different stakeholders are likely to respond,
- Assisting the evaluation and selection of alternatives (including a no development option),
- Assisting site selection for various components of project intervention,
- Recommendation of mitigation measures,
- Assisting in the valuation process and provides suggestions about compensation (non-financial as well as financial),
- Detail description of potential conflicts between stakeholders and advises on resolution processes,
- Development of coping strategies for dealing with residual or non-mitigatable impacts,
- Contributing to skill development and capacity building in the community,
- Advising on appropriate institutional and coordination arrangements for all parties,
- Assisting in devising and implementing monitoring and management programs.

4.3 Process to Undertake SIA

Social impact assessment is a key requirement for any development intervention as per National LARR policy 2071. The Implementing agency or the project developer, as a requirement will carry out socioeconomic survey(s) and a census to identify all persons who will be displaced by the project and to assess the project's socioeconomic impacts on them. This assessment forms an integral part of Resettlement Plan (RP).

The process to undertake SIA is as follows:

The government or the private sector shall consult the concerned local body – village development committee (VDC), municipality and the district development committee (DDC) whenever it intends to acquire land for public purpose. It will carry-out SIA in consultation with elected representatives of local bodies, affected persons/families, other stakeholders and the concerned agencies.

Affected people/families will be notified through local and national level print and electronic media specifying the commencement of SIA studies. The final date of collecting information for preparation of SIA Report will be the **cut-off date** for eligibility of final entitlements of affected assets. A formal notice to this effect in the local and national media will be issued on the date of completion of field survey for SIA.

The Implementing agency and/or the proponent of the development intervention will be responsible for its preparation. The IA can obtain services of Consultant/ Consulting Firms to carry out this task.

Initial social assessment will be carried-out during feasibility stage whereas the detail social impact assessment will be carried out during the detail design phase of the project cycle.

SIA as a process covers the followings:

- Identification of present and future potential social impacts, based on baseline data analysis,
- An inventory of displaced persons and their assets,
- An assessment of income and livelihoods of the displaced persons,
- Gender-disaggregated information pertaining to the economic and socio-cultural conditions of the displaced persons,
- Identification of vulnerable persons and groups and analysis of potential impacts on them,

The key information on baseline data include: demographic information, social organization, occupational structure, income level and assets, and access to public services. In a nutshell, this information includes who the displaced persons are, what they do for a living, and what they are likely to lose due to a development project. This information later becomes the basis for the mitigating measures.

4.4 Tools and techniques for social impacts assessment

Survey questionnaire: A questionnaire to be administered at the household level should be developed. It should cover basic household level information such as number of family members, their age sex, education, occupation; headship, caste/ethnic status, source of income; residential status; ownership of land, other assets, house and their current value; presence and access to utility services, access to market facilities, cultural-social linkages, details of project impacts, options and preferences for impact mitigation, relocation and rehabilitation.

Focus group discussion: A check list should be prepared to carry out focus group discussion with different groups of people especially the affected families, user groups of various resources and utilities, disadvantaged (e.g. single women, differentially able people, *dalit*, and poor family) and ethnic minorities, other project beneficiaries. The check list should focus on their views on locational appropriateness of project components and subcomponents, project impacts, community institutions, constraints of project implementation, asset valuation, possible relocation of affected population and the institutions, their overall perception on the project, alternative options, and degree of satisfaction. Their views need to be solicited in the detail design and implementation of the project.

Key Informant Interviews: A Checklist to collect information about the views of local leaders, knowledgeable persons, elderly, social workers, school teachers, and heads of social and cultural institutions should be prepared. Information to be collected can be similar to those included in the focus group discussion but the emphasis should be on in-depth insights on

people's version on the project, its impacts, livelihood restoration options and overall perceptions about the viability and implementation of the project .

Schedule Form: SIA analysis needs information from the VDC, local institutions (education, health, agriculture etc), user groups, and cultural and other social organizations. Special schedule form to suit the purpose should be designed based on information obtained during initial social assessment stage of the project.

In addition, the social Impact assessment team should have constant *dialogues* with officials in charge of the project in order to determine the reasons that facilitate or deny access to public facilities, markets and other income earning opportunities and explore possible ways to address any institutional and other constraints that may exist and to assess capacities and interest in addressing social issues.

4.5 Documentation of Social Impact Assessment Outputs

Information collected through various tools of social assessment should be documented. All consultations carried out should be documented. Persons consulted should be listed. Photographs of affected areas, settlements, communities, institutions, structures related to social and cultural significances. The main output is the Social Impact Assessment Report. The report should contain, as main Chapters i) baseline information, ii) impacts and iii) mitigation measures. Apart from the main chapters the document should include:

- all the study tools and techniques;
- persons/institutions consulted;
- public consultations held with details of place, people attended, date and deliberations
- photographic evidence of locations of all project components;
- documentation of all consultations held;
- timelines of works carried out;
- locational details and photographic evidence of major settlements affected;
- sites of historical/cultural significance;
- maps showing relative location, access situations and service provisions in the project area.

All these information should be placed in the public domain for information and as part of information disclosure.

4.6 How to Use the Outputs in Project Planning and Implementation

The outputs of social impact assessment will be the key document for preparation of Draft Resettlement and Rehabilitation Plan, RP (discussed later). The date of completion of social impact assessment survey also forms the cut-off point for entitlements for the affected persons, households and communities. The Draft RP will be updated along with any changes in the project components during detail design and implementation stage.

5. Resettlement Planning

5.1 Resettlement Planning Activities in the Project Cycle

Table 5.1 summarizes the resettlement planning activities in the project cycle. This is based on Nepal Land Acquisition, Resettlement and Rehabilitation Policy (LARRP) 2071. In addition to resettlement activities in a particular stage of the project it also specifies the responsible agencies to initiate and approve the particular activities and the outputs.

Table 5.1 Resettlement Planning Activities in the Project Cycle and Responsible Agencies as per Nepal LARRP 2071

Project Cycle	Resettlement activities		Responsible agencies		Remarks
			Initiatives or preparation	Decision Making /Approving Authority	
Conceptualization/ Project identification	<ul style="list-style-type: none"> Initial assessment of the scope of involuntary resettlement Initial categorization 		Ministry/Local bodies/Private sector	Government of Nepal/National Planning Agency	The "concept" or "project identification" may come from government policy, periodic plan, budget speech, parliament and local bodies or private sector
Prefeasibility	<ul style="list-style-type: none"> Appraisal of risks and impacts and associated costs 		Implementing agency (IA)	Executive agency (EA)	
Feasibility	<ul style="list-style-type: none"> Initial social Impact assessment Defining the Scope of IR Search for alternatives (options) 		IA	EA	
Detail Design	<ul style="list-style-type: none"> Detail Social Impact Assessment 		IA/The Project	EA	Resettlement Units under the Ministry or Executive Agency will review and facilitate approval process at the Ministry level
	Preparation of Resettlement Plan	Land Acquisition and Compensation Plan (for Low Risk Projects)	IA/The Project	Concerned District Level Office/District Administrative Office	Two types of RP to be prepared based on type and extent of displacement (physical and/or economic)
		Resettlement and Rehabilitation Plan (for Medium Risk Projects)	IA/The Project	EA/Concerned Department	

Project Cycle	Resettlement activities		Responsible agencies		Remarks
			Initiatives or preparation	Decision Making /Approving Authority	
	Resettlement and Rehabilitation Plan (for High Risk Projects)		IA/The Project	EA/Concerned Ministry	
	• Budget Provision		IA	EA	NPC and Ministry of Finance approve as per the approved program and allocated budget
Implementation	Establishment of functional Resettlement and Rehabilitation Unit	Department Level	IA/The Project	IA	To be established before initiating any resettlement and rehabilitation related activities of implementing agency.
		Ministry Level	Respective Ministry/ EA	IA	
	Implementation of RP		Implementing Agency/ Project	IA	A Separate Unit established in the Project to handle resettlement and rehabilitation activities
	Valuation of assets and Compensation payment		Compensation Determination Committee (CDC)	IA	Project Manager responsible to do all the preparatory activities
	Internal monitoring and Report Approval		IA/The Project	Ministerial level R&R Unit	For projects implemented by its Department
	Grievance Redressal	Project level	Affected persons/family file complaint at the concerned unit of the Project	Committee headed by Project Manager and supported by concerned Unit	The district level Committee includes CDO, DDC representative, District attorney and R&R expert. The regional level committee includes Regional Administrator, Joint Secretary of concerned ministry, Legal officer of the Office of the Regional Administration, Resettlement Expert from MoUD, Head of Resettlement Unit of the concerned Department
		District level	Affected persons/family file complaint through concerned unit of the Project	Committee headed by CDO at District Level	
		Regional level	Affected persons/family file complaint together with decisions from CDC through concerned unit of the Project, CDC to forward	5 member committee headed by Regional Administrator	
Formal Court of Appeal		Affected persons/family: Appeal against the award of judgment by Grievance Addressal	Appeal Court		

Project Cycle	Resettlement activities	Responsible agencies		Remarks
		Initiatives or preparation	Decision Making /Approving Authority	
		Committee at the Regional Level.		
	Monitoring and Supervision	IA/EA	Review carried out at National Planning Commission	The Committee includes 2 NPC members in charge of respective social and infrastructure sector, Secretaries of Home Affairs, Land Administration and the concerned line Ministry
	External Monitoring	IA	EA	For High and Medium Risk Projects there will be independent external monitoring Panel
	Post Evaluation	IA	EA	

5.1.2 Census survey and Inventory of Losses (IOL)

Resettlement planning is effective only when it is based on accurate and adequate information about the affected peoples and their residential status, losses incurred due to project components, and the vulnerabilities that these affected people and the communities are likely to face due to project implementation. For this, collecting and using information effectively are vital for resettlement planning and implementation. Census surveys and inventory of losses are the two main methods of collecting accurate information about the affected people, their losses and the vulnerability status.

5.1. 2.1 Scope of Census Survey and IOL

Scope of Census Survey and IOL can be explained in terms of the functions they serve. Firstly, their scope is to identify affected or displaced persons eligible for resettlement entitlements. This is very important especially in a situation where the disclosure of project plans, area coverage and timeline is likely to encourage construction of unnecessary new structures, land invasion, and thereby fraudulent claims for compensation and resettlement. Secondly, they form an integral part of resettlement database that can be used for project monitoring and supervision. Thirdly, they help determining the categories of entitlement and provide basis for valuation and compensation. Fourthly, they help the implementing agency for timely resource mobilization and budget estimate.

Census refers to 100 percent coverage and in this case collection of information covering 100% people affected by the project activities in the project area with basic social, demographic, and economic characteristics of all affected person. Likewise, the inventory of losses will cover 100% households who lose their assets due to project activities. It also includes community infrastructure and assets. Census and inventory of losses can be done separately. However, as

each require visit to all affected households, it is worth doing together. In areas characterized by encroachment or where the length of residency is difficult to establish census and inventory tasks should be carried out as early as soon.

5.1.2.2 Tools for Census and IOL

A standard questionnaire for census survey should be developed. It should be administered by visiting each and every household. Detail information about all affected persons should be collected. Box 5.1 provides a guide for the basic information to be included in the census questionnaire.

Box 5.1: Check list for Census Information

Household level

- Location (district/VDC/Ward/settlement,
- Head by sex, age, caste/ethnicity, disability,
- Household size,
- Family type: nuclear, joint, extended
- Asset ownership of household (by owner)
 - Total land by type and quality (irrigated, non-irrigated, grassland, pasture, abandoned land, orchid/private forest, Standing crop on land (number, value)
- Residential status and house ownership (individual/collective, owned/rented)
- Structures: households, sheds, farm buildings, kitchen, toilet, court yards, boundary walls, bio-gas structures, other structures, water source
- Crop production, food/subsistence sufficiency
- Livestock ownership (type, number)
- Enterprises, factories, business, informal sector activities
- Infrastructure facilities and basic utilities

Individual level

- Sex, age, marital status, education, skill, occupation, present/absent
- Source of income

Common property

- Land: rural common lands, pasture and foraging area, fishing area etc.
- Structures/facilities: schools, health facilities, cremation sites, temples, stupas, mosques etc, community center/building, banks, public transport

- Resettlement related knowledge, compensation preference, options for relocation etc.
- Any other specific information of the households demanded by project

The inventory of loss should cover 100% affected land, structures both private and public structures, infrastructural facilities and other structures of cultural and social significance. A schedule form to cover the loss of all types of assets should be developed. Box 5.2 lists information to be included in the inventory form at the minimum. Depending upon the nature and extent of the project the social team can include more site specific information in the form.

Box 5.2 Check List for Information to be Contained in Inventory of Losses Form

Land

District, VDC, ward, Map ref., parcel no, total area, total loss, titleholder/non-titleholder, registered owner, present cultivator, type and quality of land, shape and size, aspect of land, slope, distance from nearest road head,

House and structure

Houses: Area coverage, storeys, building materials (roof, wall, floor, interior), total or partial loss, severity of loss (usable/unusable afterwards),
Other structures as applicable for houses

Community Assets (all possible information including structural details & users)

Religious structures: Temple, Monastery, Mosque etc

Cremation sites

Resting places/sheds

Roads and bridges

Irrigation canals and drinking water facilities

Schools, health institutions

Public grounds, centers

Other information as decided by the social team, if any

A standard database structure should be prepared or a standard package such as SPSS, or any other standard package should be used to create the project database. It should be user friendly and as far as possible most updated version should be used. Depending upon the number of households and the impact of the project a database manager can choose the suitable package.

5.1. 2.3 Land Acquisition Plan

This is a brief document. The final database prepared, feeds into the land acquisition plan. The main purpose of this document is to facilitate the land acquisition process. Land acquisition is a process of acquiring land under the legally mandated procedure of eminent domain. The plan contains details of land to be acquired by ownership status, the process land acquisition, the consultation and participation process, responsible agencies for compensation payment, the budget and its disbursement process, time frame for payment, documents needed for payment, process involved in applying for the payment, specific sites/offices to be consulted, and any details any other procedures to be followed.

5.2. Cut-Off Date for Qualifying affected Households

5.2.1 The National Policy/law

Establishing a cut-off date for qualifying the affected households for entitlement is very important. In many projects especially projects to be executed in areas characterized by rapid expansion of settlements or illegal occupation of land or squatter settlements it is very important that cut-off dates are established in time. Otherwise, establishing the eligibility for compensation and resettlement entitlement becomes a contentious issue resulting into delays in project activities.

The Land Acquisition Act 2034 does not categorically state the cut-off date for affected

households for their entitlement. In practice the date of census survey has been normally considered as cut-off date. The latest policy draft, i.e., Nepal Land Acquisition, Resettlement and Rehabilitation Policy (LARRP) 2071 has clear provision of social impact assessment. During the assessment process the elected representatives of local government are to be consulted. Accordingly, the project will issue a public notice specifying the completion of data collection for social impact assessment of a particular project and this date of notification will be the cut-off date for qualifying affected households for entitlement. No fraudulent encroachments after this date should be considered eligible for entitlements of compensation. However, in view of protecting the interest of vulnerable groups, landless farmers/ squatters who have been occupying public land for at least 3 years before the cut-off date, but without legal title should be entitled to compensation for the lost land and entitled to be legalized on the remaining unaffected portion. But the occupied land should not have been claimed by others, and that these households should not have title to any other agricultural land. Non-land assets should be compensated at replacement value and their relocation and transportation must be assisted.

5.2.2 Project Policy

Government of Nepal is in the process of finalizing the resettlement policy. Drafting of a new law related to resettlement will follow. Once the policy is approved by the cabinet, its provisions will be adopted in all the projects. However, until this happens, the projects should follow the provisions similar to the ones stated in the current draft Nepal LARRP 2071 as specified in the preceding section of this document.

5.2.3 Gaps if Any, and How They are Being Addressed

For reasons of dated Land Acquisition Act 2034 (1977) there is a gap or confusion on setting the cut-off date. In this situation, project specific policies should be developed so as to be at par with international best practices. Once the proposed policy is approved most of the gaps will be addressed. Any However, any apparent gaps and the project specific issues should be addressed by developing project specific guidelines. Carrying out equivalence assessment with international best practices of involuntary resettlement and developing specific guidelines to address the gap will be the responsibility of social team. The project owner will facilitate the process and the implementation of project specific guidelines whenever deemed necessary.

5.3 Consultation and Participation with Affected HH

5.3.1 Scope of Community Consultation

Community consultation and participation of affected households is integral part of resettlement planning in all stages of project development and implementation. The implementing agency and the project must inform the affected households and the community on the project in general and the compensation and resettlement in particular. The affected households must be provided with project-related information during resettlement planning and implementation. Before consultation the disclosure of all available project-related information is a must. The scope of community consultation can be summarized as:

- Creating greater awareness about the project and its development purposes. In the absence of information, rumor and misinterpretation may hold the public opinion.

- Helping promotion of village level decision making and participatory development strategy. Consultation may provide details which the planners/project developers may not foresee.
- Affected households are better informed due to the two-way flow of information between the project sponsors and the affected people and communities. Thus, it is useful in developing resettlement options that can balance the priorities and capabilities of affected communities with the technical requirements of the options.
- Helping develop a sense of ownership of the project by the affected persons and avoiding costly and unnecessary development of options that the affected households may not want. Participation engenders commitment or ownership, increasing the likelihood that resettlement resources and programs will operate satisfactorily in a sustainable manner.
- “Being or making responsible” is the end-objective of the participatory process. This is where the project team esp. the social team and the communities make a commitment to work for the project.

Participation is an active and continuous process of interaction among the key stakeholders, including the communities directly affected (whether positively or adversely), government and line ministries, the project consultants, civil society and international donor agencies. According to Involuntary Resettlement Sourcebook (WB, 2004) participation involves four types or levels of activities: i) dissemination, ii) consultation, iii) collaboration, and iv) extension of choice.

“Dissemination” normally translates as the one-way transfer of information, in this case, from project personnel to the affected households and communities. Likewise, “consultation” refers to two-way transfer of information or joint discussion between the project personnel and the affected households. This process yields the best resettlement alternatives. “Collaboration” means a joint decision-making through membership in the committees, consultative groups, forums or other formal or informal bodies. In this process the affected ones have their voices heard. The “extension of choice” involves empowerment of affected persons/households by transferring the decision-making power to the affected households. It is more relevant in projects with high risk that involves physical displacement of a large number of households.

5.3.2 Tools and Techniques

Consultation can be carried out through various tools and techniques and through various ways. Whereas through stakeholder analysis various stakeholders are identified, scoping the environmental assessment during project preparation provides an opportunity to involve these stakeholders early in the project design process. The affected people can provide realistic information on potential impacts of alternative design options and the land tenure situation. More importantly the following tools and techniques and their administration forms integral part consultation and participation process.

Resettlement census and surveys: Census surveys together with inventory of loss of asset provide an opportunity to consult the directly affected households. These tools identify and enumerate all individuals likely to be affected by the project by making a door to door visit. The inventory of loss records all immobile property that will have to be acquired together with their use and the condition. In addition preparatory activities before carrying out the census operations provide an opportunity to disseminate project information and record people’s views. The socio-economic survey and consultations therein carried out to establish baseline information on income and socio-economic indicators together with census survey or separately

can also be taken as a tool of consultation with the affected people and the community.

Focus group discussions: Focus group discussions are very important technique to capture information and solicit the views of people. In many instances formal surveys of social impacts may fail to provide information on attitudinal and cultural nuances. Participation in small group of homogenous people especially the participation of disadvantaged groups and women allows them to voice their concerns among peers. It is generally accepted that participants in the focus group speak more freely and thoughtfully than they would in a larger open meeting. It is through this technique that the socio-cultural realities of poor and disadvantaged people is better understood and locally acceptable ways and means of avoiding and/or mitigating impacts can be detailed out. This technique also helps develop a feeling of ownership of the project among the affected ones.

Key informant interviews: Local representatives, government officials, social workers, elderly, school teachers, leaders of cultural groups and other people of similar status may speak with authority on social impact, resettlement issues, and options for addressing impact and ways to deal with disadvantaged and the vulnerable groups. Their participation in the project activities is very important and key informant interview is one of the techniques so that they are consulted and their views solicited. This especially important because their words and views may shape the perceptions and influence the actions of the affected persons.

Community meetings and gatherings: Community meetings and gatherings organized by the projects are common techniques of consultation with the affected people and the community. Such meetings should be organized carefully taking into consideration of the distance APs have to overcome, time of the day, accessibility, accommodation capacity of the venue among others. It is important that as many participants are allowed to express their views and concerns as possible during these meetings.

Committee or Group representation Method: Participation through memberships in the committees, forums and groups formed to carry out various project activities may also provide avenue to ensure participation of representatives of the affected people and the community. These representatives are expected to disseminate project information and various activities of the project to the affected households and communities that they represent.

5.3.3 Participation of Women

Women's participation in the consultation and project activities is very critical. Social impact of project displacement is likely to affect women more than men especially in the rural area. This is because women rely and depend on community and other social networks for emotional and practical support, such as taking care of children. Dislocation can be traumatic if these networks break down. To account for such a differential impact of project on women and that their voices are properly heard, their participation in the consultation process of the project is crucial.

Project impact resulting into involuntary dislocation could increase the burden on women. Generally, women are responsible for food, fuel, and fodder in the family. Often, fuel and fodder can become scarce as a result of negative environmental effects on natural resources like forest, water, and land. This can have direct impact on women, because they are responsible for gathering fuel and fodder. Unless this impact is addressed in resettlement planning and execution, it could result in women spending more time and resources accessing these basic needs. Also, loss of grazing areas could result in loss of livestock.

Livelihood and income restoration is equally important to women and men. Lack of land ownership and property rights denies women equal access to compensation and rehabilitation support. Women may not have legal rights to land and property, even though they may have enjoyed usufructory rights or been dependent on them. Most women are engaged in the informal sector such as working in the field, selling produce, gathering forest produce etc. Displacement and dislocation can result in loss of livelihood, adding to women's economic hardships. Therefore, it is important to enumerate women's economic activities in planning and executing resettlement programs.

Low levels of training and education among women limit the choice of alternatives. Rehabilitation packages may include compensation opportunities for alternative occupations. Choices for exploring alternatives and livelihood options for women are limited because of their low levels of skills education, and exposure. Planning for occupational and livelihood options for women is crucial and this can be facilitated only by ensuring participation of women in project activities.

5.3.4 Consultation Partnerships with Civil Society Organizations

Civil society organizations are known for facilitating activities related to creating public awareness and informing people about development activities at the local level. For this reason, the project can carry out activities such information dissemination, public disclosure of project activities, community level development activities in partnership with civil society organizations. Civil society organizations can efficiently conduct local level activities related to rehabilitation and livelihood restoration of the project while the project may concentrate on its large scale infrastructural activities.

5.3.5 Consultation and Participation within the Project Cycle

Consultation and participation is an ongoing process and it takes place almost at all stages of the project. It is also a fluid process. The specific form, sequence and content of this process vary by the nature of project, local context and the magnitude of its displacement (both physical and economic). In any case, early initiation of participation always helps synchronize local contributions over the project cycle.

Table 5.2 provides a guide for incorporation of participation in resettlement planning and implementation.

Table 5.2 Project cycle, Consultation and Participation Process

Project cycle	Participation steps and process	
	Steps	How/what to do
Project identification	<ul style="list-style-type: none"> • Identification of stakeholders and stakeholder analysis • Appraisal of risks and impacts and associated costs 	Identify stakeholders Visit field site for preliminary impact assessment and consult local people
Prefeasibility	<ul style="list-style-type: none"> • Preliminary dissemination of information, consultation • Initial social impact assessment and defining the Scope of IR 	<ul style="list-style-type: none"> • Share information on preliminary project design through <ul style="list-style-type: none"> ▪ Meetings at VDC hall or schools

		<ul style="list-style-type: none"> ▪ Small group meetings esp. with disadvantaged groups ▪ Distribute printed information, booklets etc • Visit field site and carry out preliminary survey for initial impact assessment
Feasibility	<ul style="list-style-type: none"> • Social impact assessment • Preparation of Land Acquisition and Compensation Plan • Preparation of Resettlement and Rehabilitation Plan • Exploration of relocation sites and income restoration options 	<ul style="list-style-type: none"> • Visit door to door to conduct census surveys and preparation of inventory of loss • Conduct focus group discussion at settlement level • Conduct key informant interviews • Conduct gatherings of affected persons and other stakeholders • visit possible relocation site and conduct surveys, group meetings, and key informant interviews as needed
Detailed design	<ul style="list-style-type: none"> • Finalization of RP • Dissemination of information 	<ul style="list-style-type: none"> • Disseminate information to affected households on census results, options for project design, resettlement and entitlement • Consult affected persons, host communities, and other stakeholders for their responses, feedback and preferences
Implementation	<ul style="list-style-type: none"> • Participation in valuation of assets and compensation payment • Participation in committees • Participation in delivery of entitlements • Participation in monitoring 	<ul style="list-style-type: none"> • Set-up committees/forums • Set-up public information unit • Establish logistic and implementation arrangements through consultation • Consultation during progress monitoring
Completion	<ul style="list-style-type: none"> • Participation in evaluation 	Consult resettled/ relocated households and other stakeholders

5.3.6 How to Document Consultation

There will be three types of documentation of participation and consultation.

- First, consultation and participation during surveys for social impact assessment and resettlement plan preparation will be documented in the form of Social Impact Assessment Report and different types of Resettlement and Rehabilitation Plans.
- Second, reports of all consultation should be prepared documenting details of proceedings, discussions, issues, places, dates, venues and participants. All these documents should be in the public domain.
- Third, there will be photographic documentation of all participations, consultations, and

group discussions. These documents may be kept separately or may be included in the relevant reports and plans.

5.3.7 How Output of Consultation Feed in Resettlement Planning

The outputs of all consultations and participations will feed into resettlement planning and the project sponsor will be advised accordingly. The documents and entitlements will be updated as per the lessons and/or recommendations of the outputs. As per recommendations, delivery of entitlement, institutional set-up and information disclosure procedures should be improved as deemed necessary.

5.4 Preparation of Resettlement Plan

5.4.1 Outline of Resettlement Plan

The term "Resettlement" covers broader aspects and it is not restricted to its ordinary use as "physical relocation." It refers to, all physical and economic displacements. Depending upon situation, it includes i) acquisition and compensation of land and physical structures on the land, including business; ii) physical relocation of affected or displaced households; and iii) economic rehabilitation of affected or displaced persons to improve or at least restore incomes and living standards. The affected or displaced persons refer to all those persons who i) lose land or right to land including any structure on land, ii) lose residential/business/commercial buildings iii) lose access to legally designated forests, pastures, parks and protected areas resulting in adverse impacts on the livelihoods. The term "project affected persons" and "displaced persons" are used synonymously.

A resettlement plan is a time-bound action plan with budget setting out resettlement strategy, objectives, entitlements, actions, responsibilities monitoring and evaluation. The objectives of a resettlement plan is to ensure that the livelihoods of all project- affected persons are improved or at least restored to the pre-project levels and the standards of living of the affected poor and other disadvantaged groups are improved.

In general, a resettlement plan of a development project with high and medium risk includes the following headings: i) project description, ii) a discussion on the scope of land acquisition and resettlement iii) socioeconomic information and profile that reflects an assessment of social impacts, including gender concerns; iv) information disclosure, consultation, and participation; v) a grievance redress mechanism; vi) a legal framework, including analysis to identify gaps, if any, between national laws and international best practices regarding compensation, relocation and rehabilitation, and to develop an appropriate gap-filling strategy; vii) entitlements, assistance, and benefits; viii) relocation of housing and settlements; ix) income restoration and rehabilitation, including access to training, employment, and credit; x) a resettlement budget and financing plan that includes valuation of and compensation for lost assets, relocation, and rehabilitation; xi) institutional arrangements; xii) an implementation schedule; and xiii) monitoring and reporting. An elaborated outline of a resettlement plan is given in Annex 3.

5.4.2 How to Data Analysis and Resettlement Plan Preparation

Data obtained from census (and socio-economic) surveys and inventory of losses and the consultations done with affected households during the project preparation period contribute to

the preparing of a social impact assessment report that is used to i) assess adverse impacts of the project on different categories of affected people; (ii) identify those affected by the project who are eligible for entitlements; (iii) prepare an entitlements matrix based on losses; and (iv) recommend compensation payments and grievance redress procedures. A computerized data-base and a program developed for data processing and analysis allows easy disaggregation of data on the displaced persons by age, sex, education, income, occupational skills, landholdings, project impact, preferred choices for relocation, and income restoration.

Special attentions should be paid for data analysis and preparation of the resettlement plan. Otherwise there is a risk of missing critical aspects of resettlement and rehabilitation. The plan should include review of national land acquisition and resettlement policies, acts, and regulations. Gaps, if any between national policies and international best practices should be identified and gap filling measures justified. In the absence of updated national policy on resettlement the purpose is to identify gaps for policy formulations in the project context.

Table 5.3 lists tasks necessary to prepare a resettlement plan.

Table 5.3: Necessary Tasks in Resettlement Plan Preparation

SN	Main issues to be considered	Requirements
1	Cut-off date	Establish a cut-off date last day of data collection for SIA
2	Census and socioeconomic survey	Carry out a census and socioeconomic survey
3	Finding out and fixing the number of affected/displaced persons, including those requiring relocation	Establish the number of the affected/displaced persons including both the directly and indirectly affected persons
4	Consultation with stakeholders	Inform, consult, and involve the stakeholders in the resettlement planning process
5	Gender aspect and planning	Recognize that women have different needs than men. Consider gender-based differential impacts of resettlement. Develop additional eligibility for social support, services, employment, and means of subsistence for income restoration.
6	Special attention to disadvantaged (vulnerable) groups	Address the needs of disadvantaged (vulnerable) groups such as the poor, <i>dalit</i> , households headed by women, landless persons, <i>janajati</i> , ethnic minorities, and the elderly and the disabled
7	Gap analysis	Identify gaps, if any, between international best practices and the national policies, laws, and regulations of the developing member country and fill the gaps with appropriate measure
8	Establishment of replacement value for lost assets	Affected persons should be eligible to receive the replacement value of all lost assets.
9	Decision on eligibility and entitlement matrix to cover all affected persons	Define entitlements and eligibility and how compensation and rehabilitation measures will be structured. Include those without titles and ownership rights for humanitarian considerations
10	Resettlement site identification for site and services development	Identify resettlement sites in consultation with the affected people. Provide the sites with civic amenities and services.
11	Income restoration plan	Include a plan for income restoration, particularly for the poor and vulnerable groups.
12	Plan for capacity building for resettlement management	Assess the organizational capacity of the executing agency and plan for capacity building for implementation of the resettlement plan. Include provision for staff training for resettlement management.
13	Recognition of the needs of host	Address the needs of the host population carefully.

	populations	Include provision for civic infrastructure facilities to enhance the carrying capacity of the host populations.
14	Valuation of assets and cost estimate and budget	Include costs for land acquisition, resettlement, income restoration, implementation and administration, and monitoring. Consider replacement costs and include unit costs of all items. Explain how resettlement costs will be financed.
15	Monitoring and reporting arrangements	Explain monitoring and reporting arrangements. Include provision for qualified and experienced external experts or qualified NGOs to verify the monitoring information for projects with significant involuntary resettlement impact.

Because data analysis and interpretation should help categorization of affected households and thereby their entitlement, it is important to tabulate the assets to be lost in terms of percentages of the total size. For example, loss of cultivated land could be shown as up to 10%, 10–20%, 20–30%, 30–50%, and more than 50% of the total land holding of an affected person. Generally, the loss up to 10% is considered to indicate minor project impact. This is because the remaining area is likely to remain economically viable. However, this may not be the case all the time and the area lost may be the most productive area. The percentage categorization also helps to identify affected persons/households for determining the mode of compensation. For example, if the project affected household loses less than 20% of its productive assets and the remainder is economically viable, the household may receive cash compensation. In addition, data analysis directly provides input to planning for relocation, income restoration and the estimation of resettlement and rehabilitation budget.

5.4.3 Resettlement Planning Considerations for the Vulnerable Groups

The disadvantaged or vulnerable are the individuals or groups who may experience adverse impacts from a proposed project more severely than others because of their disadvantaged status. In general, the landless or those without a title to land, the elderly, the differentially able persons, female headed households, single women and children, those below poverty line, and ethnic minority or Indigenous Peoples comprise the disadvantaged or vulnerable groups within a project's displaced population. Vulnerable and or disadvantaged groups need special considerations. One of the objectives of resettlement and rehabilitation policy 2071 is to improve the standards of living of the affected poor and other disadvantaged /vulnerable groups. It clearly states that the affected persons who belong to disadvantaged groups be targeted with measures that ensure that a project's adverse impacts do not fall on them disproportionately and that they share the benefits and opportunities of the project equally with others. Some of the individual disadvantaged groups who may face disproportional impact of the project and that they need targeted assistances in resettlement planning to meet their specific needs include the followings:

Women: As noted above the needs of women affected by involuntary resettlement are likely to be different from those of men, particularly in terms of social support, services, employment, and livelihood. Women and men are eligible for the same benefits but women need special attention especially when compared with men, they may lack adequate resources, skills, educational qualifications, and work experience. Likewise, single women or women headed households might face greater difficulty than relocated men in reestablishing markets for home industry produce or small trade items.

In case of relocation, the project should provide opportunities for women's participation, enabling them to get involved in the design and layout of housing. Women should have easy access to basic social amenities like water and household energy sources while developing infrastructure in the relocation area. LARRP 2071 specifies gender inclusive and responsive consultations on matters of relocation and rehabilitation. As a guide, ADB. 2003. *Gender Checklist: Resettlement* lists the steps to safeguard women's interests and is applicable to Nepal's case as well. These are as follows:

- Separately identify the socioeconomic conditions, needs, and priorities of women as part of the assessment of social impacts.
- Surveys and entitlements criteria should recognize female-headed households. Impact on women should be monitored and evaluated separately.
- Ensure that the process of land acquisition and resettlement does not disadvantage women.
- Land and/or house titles and grants should be in the name of both spouses.
- Female staff should be hired by the resettlement agency to work with and assist women in all aspects of resettlement activities, including planning and implementation of income restoration programs. Involve women's groups in resettlement planning, management, and operations and in job creation and income generation.

People without formal titles and customary land users: Some households including *dalit* and ethnic minorities may not have formal titles to land they cultivate or use but have ancestral customary rights to regulate collective common property. They depend on open access to common grazing lands, fishing areas, or forest resources for subsistence and cash incomes. The survey and census work should take full account of these patterns of resource use, including the systems of land use and land transfer that operate under customary systems. The development project of the government may provide an opportunity to provide formal title to such people. The social team esp. the resettlement planners should work in close consultation with all of the affected persons so that the people without formal titles but with customary rights are not deprived of resettlement entitlements and benefits.

Informal dwellers and squatters: The informal dwellers and squatters including encroachers who may have used previously unused under used public land may be affected¹. If they have used the space from before the cut-off date they should be provided with replacement structures or cash compensation at full replacement cost for any structures, crops, or land improvements that they will lose, as well as relocation assistance. All these supports can be provided as rehabilitation assistance, if legal provisions do not allow for compensation. Good practices elsewhere suggest that informal dwellers and encroachers who depend on agricultural production for their livelihood are provided land with title. Likewise, those informal dwellers who do not depend on agriculture, the resettlement planners can identify alternative income restoration options in close consultation with the squatters themselves. Squatters who have been living in particular place and have been tolerated and whose tenure security have not been

¹ The informal dwellers and squatters refer to people who are landless or without title to land and occupy public land for shelter and/or for carrying out their livelihoods. Likewise, the term encroachers refer to illegal extension into public property by a person who is a legal titleholder of his property. The person is an encroacher on the portion of the property occupied to which the person does not hold legal title.

challenged for years may be recognized with regularization of tenure rights and such actions can be handled on a case by case basis rather than a rule.

The poor: Impact of the project on people below official national standards of living parameters may be more serious than others who lose the same amount of assets. In such cases, identifying sustainable income generating options that work for them and is acceptable to them is not easy. The NLARRP 2071 aims for improving the standards of living of the poor and other vulnerable groups affected by the project. As a result, the replacement housing should meet or exceed existing local standards. Targeted assistance including jobs in the project and skill trainings should be provided to them. Additional working arrangements, if possible, should also be considered seriously for the disproportionately affected poor.

5.4.4 Entitlement

5.4.4.1 Unit of Entitlement

As a rule, the unit of loss determines the unit of entitlement. Establishing the proper unit of entitlement is necessary to ensure that entitlements target those adversely affected and to clarify the responsibilities of agencies responsible for managing compensation and rehabilitation. Two major units of entitlement for compensation and rehabilitation include: i) individuals (i.e. affected persons and their households) and ii) community or groups.

The Individuals: This category includes displaced/affected persons (APs) as individuals (men and women) who may suffer one or a combination of the following losses:

- All or part of residential land;
- All or part of cultivated land, forestry land, and/or grazing land (titleholders and registered and non-registered tenants);
- All or part of *guthi* (trust) land
- Loss of crops or trees on temporary or permanently affected land;
- All or part of residential structures (titleholders, tenants, encroachers and landless squatters);
- All or part of commercial structures (titleholders, tenants, encroachers and landless squatters);
- Rented accommodation (renter);
- All or part of other structures (titleholders, tenants, encroachers and landless squatter);
- Income sources and income-earning capacity (e.g. farmers, commercial establishment owners);
- Other losses e.g., reduced access to natural resources, water flow (mill owners, irrigation users, fishermen, firewood etc.)

Project Affected Person² (AP) – AP includes persons of the household suffering any of the above-mentioned losses. The entitled person for compensation will be the titleholder or household head, or heir(s), in the case of the loss of privately owned assets and resources. For displacement allowances each person of the household will be entitled. For the rehabilitation assistance, the unit of entitlement will be the family and/or household (PAF). For example, in some cases, household subsistence and survival strategies may be disrupted through the loss of land or business enterprises. In these cases the rehabilitation assistance will be provided to

² Affected persons (AP) are also sometimes referred as displaced persons (DP) in this document.

the household. Some rehabilitation measures such as the provision of employment will be extended to adult family members.

Community or Groups: Many projects may require the acquisition of community land (e.g. community forests) or publicly owned structures. In some cases, some parts of community institutions such as Schools may be affected. For measures to re-establish community structures such as burial sites (*ghat*), temples, irrigation canals, transport lines etc, as well as compensation for loss of community forests, user groups or the community will be the unit of entitlement.

Many projects may also have indirect, less-quantifiable or unforeseen effects on people living within the affected area or in the vicinity of the project. Potential negative impacts may include reduced access to natural resources or social services, impacts on water supply and irrigation systems, or changes to local employment practices. For example, people living below the intake site may suffer from reduced water flow resulting in lowered agricultural production or fish harvests or reduced operation of water mills. Where these impacts occur, they will be mitigated under the project.

5.4.4.2 Categories of APs

Information collected on affected assets in the field during social impact assessment is analyzed to establish category of affected APs. The following criteria are used for establishing categories of APs:

- Type of losses: Land, house and structure, crops and trees, loss of income, business, and employment;
- Degree of impact: marginal or severe;
- Tenure status: Legal title holder, non-title holder, squatter, etc.;
- Temporary or permanent impact

The level of compensation and entitlements to allowances and other assistance varies depending upon the categories of APs. The 'degree of impact' is one of the most important and critical criteria that determine the level of allowances and other assistance to APs. The degree of impacts is normally described as *marginal* or *severe*. In projects where households are adversely affected by partial loss of their assets - land and/or structures, trees and crops - such that 10 % or less of productive assets are lost and/or APs are not physically displaced, the impacts are considered *marginal*. In this case, an important consideration is that the remaining assets remain viable for continued use and that the remaining assets retain at least minimum required areas under the prevailing laws of the country. For example, in the case of agricultural land, the productivity of the remaining land area should be sufficient to support APs. Likewise, in case of residential or commercial land, the remaining parcel should be sufficient for continued use in accordance with the prevailing standards for residential or commercial plots. In case of partial loss of structures, and where the remaining structure is viable for continued use, the APs would be entitled to an amount required to restore the remaining portion of the structure to its original use, in addition to compensation for the affected portion of the structure at replacement cost.

The impacts in a project on APs are considered *severe* if they result in the loss of entire assets, land and/or structures or where the assets are only partially affected but the project renders

them unviable for continued use, or where APs are affected by loss of their source of income and employment. Severe impact results into displacement of APs from their current residence and they require to reestablishment of entire assets and support to relocate in the new site. Relocation within the same locality or in the vicinity should be a preferred option to reconstruct residence and reestablish their livelihoods.

In some projects such as road widening, irrigation canal improvement, drainage improvements the impact of the project on assets is likely to be marginal. In these cases negotiations for voluntary donations can be done on the ground of perceived indirect benefits of such infrastructure projects. But these benefits may take long time to take effect. As a good practice, all those losses should be compensated.

5.4.5 The Entitlement Matrix

Determination of the unit of entitlement is directly related to the entitlement matrix. An entitlement matrix ((EM) specifies the type of loss and defines the entitled person or the unit of entitlement in a tabular form. It is an integral part of a resettlement plan. The matrix specifies eligibility, entitlements, and payments for all kinds of losses such as, the loss of land, housing, businesses, income sources, and temporary or long-term income as well as for relocation costs. Preparation of entitlement matrix is based on analysis of the impact of a project and the resettlement policies and laws of the country. It is advisable that the matrix be developed in consultation with the affected persons.

As a general practice, an entitlement matrix takes the three types of displaced persons and relevant gender concerns into consideration. It normally indicates the number of displaced persons under each category of entitlement in the matrix, which is used in preparing the costs and budget. The main purpose is to ensure that development interventions do not disadvantage the displaced persons. The matrix includes

- compensation for land and others assets acquired under the prevailing laws and policies,
- additional cash support or top-up needed to meet replacement cost, including the costs of registration fees, taxes and other fees incurred for the purchase of new assets such as land,
- cash assistance such as transportation and/or shifting allowance for relocation,
- resettlement assistance such as housing plots or houses or apartment units built for relocation,
- special assistance for livelihood restoration or grants for business,
- employment and training opportunities,
- special assistance to vulnerable groups.

The bottom line is to ensure that development interventions do not disadvantage the displaced persons. A sample entitlement matrix in Table 5.4 is adapted from an actual project (Tanahun Hydropower Project- *Resettlement Plan*, 2012).

5.4.6. Compensation, Assistance, and Benefits

RP designs the compensation, assistance, and benefit provisions to improve or at least restore the livelihoods of all affected persons in real terms relative to pre-project levels and to improve the standards of living of the affected poor and other vulnerable categories of affected persons.

Compensation for acquired land and other assets is a one-time undertaking whereas assistance and benefits continue over time to restore and improve income and living standards. As a result there is a need for continuing coordinated efforts by a number of agencies on this matter. An important point to note is that wherever compensation, assistance, and benefits are socially and culturally compatible as well as economically feasible and sustainable, they must be allocated among the displaced persons in proportion to their losses and in relation to their needs if they are poor and vulnerable. For this purpose the RP of the project must breakdown kinds of affected persons and their eligibility for entitlements, assistance, and benefits.

A resettlement plan addresses the compensation and rehabilitation measures for all types of affected persons, households and the communities. It varies depending upon the types and extent of losses of AP in the project. Land-based resettlement approach (land for land) should be given priority for persons whose livelihoods are land-based. For rural farmers, replacing land resources they have lost with new land of equal or better productive potential is almost always the best solution. For this, selection of appropriate relocation site is critical for improvement of livelihoods or at least for restoration to pre-project level. As a good practice, if land is acquired from vulnerable or ethnic minorities who are dependent on farming, non-timber forest products, and livestock, the compensation and livelihood restoration or enhancement assistance should be land-based.

The non-land based compensation normally includes cash payment for land and other affected assets. When replacement land of equal quality is not available and/or if the affected persons make an informed choice of cash compensation, the non-land based compensation is paid. In case of non-land based compensation, creation of opportunities for employment or self-employment, including capacity enhancement should be an additional component.

The compensation paid for the acquired land, houses, and other assets should be made at full replacement cost. Full replacement cost is the cost of replacing an expropriated asset of the same or better quality in the current land and/or housing market. Full replacement cost includes the followings:

- **Fair market value** usually assessed by examining land transaction records in the recent 3 or 4 years for similar properties. In many cases the transaction records do not reflect real values because buyers and sellers often join together in reporting smaller amount in order to pay lower taxes. In such cases, the market value is the going price of an asset in the open market between a willing seller and a willing buyer. Field investigations carried out during social impact assessment and resettlement plan preparation provide the baseline data to value assets, if the land markets do not exist. In all of these cases, qualified, experienced experts must be engaged. The cost incurred during leveling, terracing, irrigation, and other investments done on land improvement is counted as part of replacement cost. When there are no housing markets, the cost of constructing new houses should be accurately estimated to determine the fair market value for housing.
- **Transaction costs** incurred should be integral part of calculating replacement value of affected land and other assets. It includes the legal and documentation expenses associated with updating land records to reflect sales, transfers, and inheritances, as well as the legal and documentation expenses associated with registering property titles to replacement lands and houses. Transportation costs associated with these activities may also be included under the transaction costs. These costs are paid by the project but not directly to the affected persons and are counted as part of replacement cost.

- When there is a gap of time between the payment of compensation per schedule and the actual payment of compensation by the project proponent, the **interest** that accrues over that period must be included in the replacement costs.
- It should be stated that **no depreciation cost** of structures and assets are deducted while paying compensation at replacement value. As a good practice there should be no deduction for salvageable materials from the compensation amount.

NRRP 2071 states that compensation be paid before physical and/or economic displacement but it may take longer to fully implement some aspects of the resettlement plan, such as the income restoration program or even preparation of a resettlement site with housing and infrastructure—activities that may run parallel to the project's other construction activities.

Security of land tenure needs special attention for affected persons without title but it also applies to those with title inasmuch because it protects resettled persons from future forced evictions from resettlement sites. Options include i) individual ownership title deed; ii) in a pay-to-own scheme by a housing or land agency; iii) credit; and iv) long-term lease or occupancy arrangement. Depending upon the nature of impact the project may opt for one or more of these options.

Resettlement assistance is broader in scope and includes relocation as well as transitional/subsistence allowances of food, fodder, and fuel that may be needed until new production systems are working well. The **assistance required for physically displaced persons** includes relocation assistance, secured tenure to relocation land, better housing with accessibility to employment and production opportunities, transitional support and development assistance, and opportunities to derive development benefits. Similarly, relocation assistance may include support for transportation of people, belongings, livestock, equipment, and other movable property to the new settlement site.

Registering property rights and issuing titles to new lands and houses is also part of transitional support. These forms of assistance are reflected in the sample entitlement matrix mentioned above. Transitional support may include provision of educational and health services by the project until state or private suppliers resume services to the displaced persons. It also includes agricultural extension, training, and provision of initial inputs such as seeds and fertilizers. It also covers provision of tools and materials coupled with training in crafts or trades such as carpentry or plumbing.

The **assistance required for economically displaced persons** can encompass those with title or recognizable title to land and those who are without title to land or landless. Assistance to economically displaced persons includes compensation at full replacement cost for the loss of income or livelihood sources—often called income restoration or livelihood support measures. The economically displaced persons can include tenants, renters and wage laborers, as well as artisans, shopkeepers, and small businesses occupying land they do not own. They should be paid compensation for the loss of their income or livelihood sources at full replacement cost. Their lost assets may be crops, irrigation facilities, trees, livestock pens, fences, shops, and vendor stalls, among other things. The resettlement assistance for such persons may include a subsistence allowance for food, fodder, and fuel until incomes are restored, and programmatic access to credit, training, and employment opportunities. For land acquisition affecting commercial structures, the resettlement assistance for the owners will include the cost of reestablishing the activities, net income lost during the period of inactivity, and the moving cost of materials. Shop owners who have a title to land or have recognizable title to land are also

entitled to land or cash compensation at full replacement cost for the land where they carry out their commercial activities.

Opportunities to derive **development benefits** from a project refer to benefit sharing. This involves helping the displaced, particularly the displaced poor and the vulnerable groups, to share in the project's benefits. Benefit sharing is in addition to compensation and intended to improve standards of living. One way of benefit sharing is to provide electricity generation or irrigation or water supply projects in new relocation areas for the benefit of both the project-resettled persons and host communities. Another way for project executing agencies is to set aside a certain percentage of the revenue from a project such as a toll road for development in a resettlement area for establishing, for example, new or improved health care or education facilities. The host communities should not be deprived of sharing in these improvements, including the extension of sewerage and sanitation systems, electricity networks, and potable water lines and better access to enhanced educational and health services.

Benefits for the economically displaced persons may include priority for employment in project civil works; income restoration opportunities in new resettlement sites and priority for training for project employment in the skills to become machinery operators, carpenters, plumbers, etc. Credit schemes can also be created for the poor and vulnerable that offer the opportunity to acquire property rights to plots of land and housing through interest-free loans.

5.4.7. Resettlement Costs and Budget

An itemized budget is required for all resettlement activities, including compensation for land acquisition, rehabilitation assistance and the executing agency's staff capacity development. In order not to impoverish the affected persons, resettlement costs must be fully identified, accurately estimated, and included in the project budget.

Table 5.4 shows the items usually included in the resettlement costs.

Table 5.4. Major items for estimation of resettlement costs and their descriptions

SN	Major items for estimation of resettlement costs	Description of the items
1	Resettlement plan preparation and compensation for acquired assets	The cost of census and socioeconomic survey of displaced persons and inventory of assets is part of resettlement plan preparation. Compensation usually refers to cost of resettlement land acquisition, housing, and other fixed assets, including costs of acquisition of substitute properties. Compensation costs also include common property replacement costs and any assets to be acquired temporarily.
2	Relocation costs:	These cover costs incurred in the physical relocation of people, businesses and other moveable properties. These include the cost of acquiring land for resettlement, developing the site, and replacing all lost private and community assets, including roads and bridges. Costs for site preparation for farmers include the costs of providing irrigation infrastructure and access to agriculture services, including access to credit, extension, and marketing facilities
3	Compensation for loss of income.	This cost covers the provision of time-bound stipends or until loss of income is restored, determined on case by case basis. However, the loss of income based on natural resources is not easy to accurately compensate. Such cases merit collective compensation, such as common property replacement cost mentioned above.
4	Income and livelihood restoration costs	Cost estimates for income restoration or improvement include the costs of training in new skills and of providing credit to new entrepreneurs.

5	Administrative/implementation service costs	Administrative costs cover costs for (i) staff; (ii) consultants; (iii) resettlement plan implementing nongovernment organizations; (iv) office space; (v) equipment; (vi) preparation of a resettlement plan, including conducting the census and various studies; (vii) transport; and (viii) training and capacity building and ix) the cost of facilitating consultations and the grievance redress mechanism.
6	Costs for monitoring and evaluation:	Monitoring and evaluation costs include costs on periodic (a) monitoring of the resettlement plan implementation by the resettlement unit of the executing agency, (b) verification of monitoring by external experts of the resettlement plan implementation of category A projects, and (c) evaluation of the resettlement plan implementation.
7	Contingency	Contingency is meant to cover costs that are invisible while preparing a resettlement plan but may arise during implementation. Resettlement site development, income restoration, and other such activities may entail unforeseen costs. Contingency is usually assigned as a percentage of total estimated resettlement costs (normally 10% of the estimated resettlement project costs)

Source: Based on ADB Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook – Draft Working Document, 2012).

These resettlement cost estimates should be adjusted annually to stay in step with the inflation rate and ensure that the value of compensation and other payments is maintained in real terms.

In order to implement RP successfully, resettlement institution building must be adequately financed in the budget. It includes staffing, staff training and capacity building, engaging NGOs, and carrying out monitoring and evaluation. During project appraisal, financial and budgetary decisions should be made on (i) establishing a resettlement unit with trained human resources to deal with policy, planning, implementation, and monitoring of resettlement-related issues; (ii) provisions for and sources of funding for running the resettlement unit and compensation and resettlement; (iii) provisions for contingency funds in resettlement budget; and (iv) annual budget allocations and provisions for budget modifications.

The budgetary provisions should have some flexibility so that the head of the resettlement unit or agency can authorize fast disbursement of funds if needed for resettlement purposes. The head of the unit in consultation with the Project Chief, should also be authorized to coordinate with related departments, hire NGOs, or contract out any specific aspect of the resettlement operation (for example, socioeconomic surveys, preparation of resettlement plan), if required.

6 Livelihood restoration and rehabilitation

6.1 Impact on Livelihood

Physical and/or economic displacement causes severe disruption of people's lives, distress and anxiety. This displacement together with the loss of source of income is the worst type of impact that a project can cause to people and the households. Of all the affected groups, most serious case of displacement happens when the affected household belongs to a vulnerable group (poor, landless, squatter, etc.). Project authorities should make special efforts to identify such vulnerable groups during the census and socio-economic survey stage, and economic rehabilitation assistance should particularly focus on such households. In a similar manner, issue of women (single, household head etc.) is equally important. The needs and problems of women are likely to be different from those of men, particularly in terms of social support, services, employment, and means of subsistence for survival. A few key questions related to women with respect to impact and livelihood restoration include (Source: Gender Checklist: Resettlement, ADB, February 2003, page 27):

- Do women contribute to household income?
- What are women's income levels prior to displacement?
- What are the activities from which women earn incomes?
- Will these income sources be affected?
- How many women will lose their livelihood sources?
- Are the women being thrust into a cash economy from rural subsistence economy?
- Does it mean loss of subsistence?
- What are the ways in which livelihoods will be affected? Will there be total loss of livelihood source or a decrease of income only?
- Does the new site provide same or alternative opportunities for earning income?
- What are the existing levels of women's skills/training?
- Is there a need to upgrade women's skills and are the facilities available?

In the urban context, projects affect a large number of people in many ways. Whereas it is comparatively easier to identify physical losses (loss of physical assets), loss of incomes and businesses are more difficult to assess. Therefore designing appropriate rehabilitation measures are very difficult. Assessing the scale of rehabilitation assistance and designing appropriate rehabilitation measures to match individual household's needs and requirements, as well as present skills of affected persons is important for improvement of affected persons' income levels.

In the rural context, the best method for restoring future income losses to affected farmers in a project would be providing agricultural extension services to increase potential productivity of the remaining land so that the affected households will be in a position to produce improved, or at least the same level of income from the next season's harvest. In case of seriously affected persons in the rural area providing land-for-land compensation with equivalent productive capacity should be desirable approach. This provision should be coupled with additional assistance in the form of agricultural extension services and other additional assistances for improved farming techniques, equipments and implements.

Income restoration and improvement are crucial to achieving the objectives of NRRP 2071. The livelihoods of people who lose their land, housing and income sources obviously adversely

affected. Considering the extent of loss of their assets and incomes risk of being impoverished is far greater than most people realize. Few aspects of resettlement are as poorly understood as the process of improving and restoration of incomes and lost livelihoods of displaced people. Most often attention is paid to compensation and logistical issues while implementing resettlement plan. But the success of resettlement plan implementation remains in improving the livelihood of affected people. Resettlement without income restoration undermines project development objectives and risks swelling the numbers of the poor rather than reducing them and achieving development vision of the government. Resettlement planning must recognize that the loss of assets is closely linked to the loss of income and livelihood activities. Economically displaced families and households given good access to sufficient productive resources can recreate and even improve lost productive systems and livelihoods. Income restoration also results when projects share the benefits it generates with the very persons it has displaced.

For the rural APs where relocation does not permit continued agricultural activities special attention should be paid to mitigate their impact. Alternative rehabilitation assistance measure should be proposed that may include provision of training (plus training subsistence allowance) to a member of the severely affected agricultural family either in their current occupation to enhance their existing skills to be able to improve their productivity or training in a new occupation which could put them in a position to increase household income.

6.2 Strategies for Livelihood Restoration

6.2.1 When to Plan / Implement?

Planning and implementation of livelihood restoration activities should be done before physical relocation displaced people. In other words, since planning of income restoration measures requires consultation with people, the focus should be on planning and implementing these measures ahead of shifting project displaced people. The planning activities should begin at the earliest possible stage of resettlement implementation. In most cases, in order to expedite handing over project sites for civil works, the project authorities lay emphasis on completing compensation payment and resettlement site development to speed up relocation of project affected people. However, once people are paid compensation and are relocated, it is almost impossible to locate them and to carry out meaningful consultation on rehabilitation measure. This is more so in the case of linear projects where APs are dispersed over a very long project areas. But if APs are relocated as a group on resettlement sites provided and developed under the project, implementation of rehabilitation measures can take place after their relocation.

6.2.2 The Strategies

The selection of appropriate livelihood restoration strategy is the key in achieving resettlement objectives. These strategies should be designed through an intensive consultation process with affected people and households. Consultation should focus on various options that are available and their feedback should be obtained. The concerned project authorities should brief households on the benefits and limitations of various options and their long-term impacts on the household. The final selection of the strategy should be based on the 'informed decision' of the households. Selected income generation activities should match peoples' needs, priorities, skill

and educational levels and thereby enable a household an income sufficient to maintain the households at level at least comparable to pre-project levels.

Baseline information from both primary and secondary sources is vital for planning and sustainability of income generating strategies. Any income generation packages should be based on a long-term need assessment of skills required for the development of the area. In general, skill upgrading, entrepreneurship development, and leadership training are essential for the project success. The need assessment and training packages should also pay attention to the skills needed to participate in the Project's construction activities and upgrade. For most affected persons in rural areas, the options and activities can be land-based and/or agro-based. Similarly, other activities that can be carried out with little capital, low skill and low technology inputs may also be considered. For affected persons in urban areas, the choices could be entrepreneurship, production, finance and marketing.

Table 6.1 is a suggestive list of income restoration measures for APs with different categories of losses.

SN	Categories of APs and type of impact on income	Income restoration strategies
1	Rural farmers who are compensated with same quality land in the same locality having impact as: <ul style="list-style-type: none"> • Temporary disturbance in production 	Maintenance allowance during transition period
2	Rural farmers who are compensated with different quality land in the same locality having impacts as: <ul style="list-style-type: none"> • Disruption of farming pattern • Possible failure without experience/techniques required 	<ul style="list-style-type: none"> • Subsistence until the new land reaches productivity • Development cost of the new land • Technical Training for new mode of production
3	Rural farmers who are compensated with same quality land in a different locality having impacts as: <ul style="list-style-type: none"> • Disruption of farming • Change in support services and market situation 	<ul style="list-style-type: none"> • Necessary support services and economic infrastructure (financial, communication and market) • Maintenance allowance
4.	Rural farmers who are compensated with different quality land in a different locality having impacts as: <ul style="list-style-type: none"> • Disruption of farming pattern • Change in support services and market situation • Possible failure without experience/techniques required 	<ul style="list-style-type: none"> • Technical training for new mode of production • All previous extension and financial services • Maintenance allowance
5	Farm land losers who are compensated in cash and having impacts as: <ul style="list-style-type: none"> • Loss of sustainable productive assets • Loss of income sources • Possible misuse of cash compensation • Possible failure of schemes for income generation 	<ul style="list-style-type: none"> • Maintenance allowance • Income generation activity identified • Training • Extension services • Financial services • Support for market analysis
6	Farmland losers (limited) who are provided jobs and having impact as: <ul style="list-style-type: none"> • Job Insecurity • Possible failure due to no knowledge or technique required 	<ul style="list-style-type: none"> • Employment guarantee for at least three years • Training
7	Landless agriculturist seriously affected due to displacement of the community and having impact as: <ul style="list-style-type: none"> • Loss of income • Loss of livelihood 	<ul style="list-style-type: none"> • Minimum economic holding of land or a cash package sufficient for purchasing economic holding • Technical training • All previous extension and financial

		services <ul style="list-style-type: none"> • Any new necessary services • Maintenance allowance
8.	Tenants (landless) affected through marginal land acquisition and having impact as: <ul style="list-style-type: none"> • Loss of income • Contract termination 	<ul style="list-style-type: none"> • Minimum economic holding or a cash package sufficient for purchasing economic holding • Other rehabilitation assistance • Maintenance allowance
9	Employees in affected enterprises that can resume the same line of operation and having impact as <ul style="list-style-type: none"> • Possibility of greater distance to work • Relocation 	<ul style="list-style-type: none"> • Continued employment • Satisfactory relocation of enterprises • All relocation costs

6.2.3 Methodology and Steps in Planning for Rehabilitation Assistance

Planning for rehabilitation assistance to APs seriously affected in a project requires a specific set of activities. Some of the steps and activities are listed as follows:

a. Conduct detailed investigations and research to prepare for planning of rehabilitation and obtain following information:

- list of institutes and training centers with the types of training available, cost, duration etc.
- information on income generation programs that are ongoing in the country
- discussion with relevant authorities in-charge of ongoing income generating and other program aimed at poverty reduction to identify opportunities and mechanisms for dovetailing rehabilitation assistance measures in development projects with these programs
- discuss and consult relevant government ministries and departments on the types of rehabilitation assistance that can be provided within the established institutional framework such as: extension services provided by agricultural departments in various provinces
- collect information from training institutions, public and private, on the types of training offered, duration and cost.

b. Prepare a list of the types of rehabilitation assistance that can be made available to the APs by district based on the above information.

c. Prepare a list of APs entitled to rehabilitation assistance based on the analysis of data collected during social impact assessment, census survey and preparation of inventory of loss. This list should have details of APs such as age, sex, education, occupation, household size, caste/ethnicity, disability status, if any. The list should be prepared by wards or settlement, VDC/municipality and district.

d. Conduct extensive consultation with each of the AP entitled to rehabilitation assistance to establish their needs and priorities and record the type of rehabilitation assistance preferred based on the information in item 'a' and 'b' above. In case of preference for training is noted mention what type of training, for how long and where?

e. Prepare a proposal including above information with cost estimate and implementation schedule.

f. Finalize the list and proposal in consultation with APs and respective institutions, agencies and government departments.

g. Mobilize the resources (from the resettlement budget) and other sources if needed.

6.3 How to Do Gender Mainstreaming in Livelihood Planning and Implementation

Consideration of gender issues is crucial in livelihood planning and implementation which is a part of resettlement plan implementation. Site selection, location, design, and suitability of the physical area are key concerns of women, as well as of men. Design of livelihood restoration strategies must be sensitive to functional requirements of the home and domestic needs of women. Some key issues related to women that need special consideration during preparation and implementation of livelihood restoration activities are as follows (Based on Gender Checklist: Resettlement, ADB, February 2003, page 11):

- Provisions ensuring that women get legal rights to land and property allocate as part of resettlement package
- Women may have informal rights to property, water, and land through informal institutional arrangements. Creation of new formal institutions may undermine rights that are enshrines in customary arrangements,
- Customary laws and informal institutions can and have been known to be discriminatory to women.

In selecting relocation site as part of resettlement implementation especially for women, the key considerations are likely to be the safety of the sites and proximity to their original location. Proximity matters and being close to where they once lived gives them (i) continuity in employment, (ii) the ability to walk to work; (iii) the ability to return home quickly in case of an emergency involving their children, and (iv) access to basic social services. Community-based groups and NGOs should be promoted to work with the women and encourage their participation in the decision-making process.

The key questions that need special attention for gender mainstreaming in resettlement implementation and livelihood restoration can be listed as follows (Source: Gender Checklist: Resettlement, ADB, February 2003, page 11)

Do women contribute to household income?

What are women's income levels prior to project displacement?

What are the activities from which women earn incomes?

Will these income sources be affected?

How many women will lose their livelihood sources?

Are women being thrust into a cash economy from rural subsistence economy?

Does it mean loss of subsistence?

What are the ways in which livelihood will be affected? Will there be total loss of livelihood source or a decrease in income only?

Does the new site provide the same or alternative opportunities for earning incomes?

What are the existing levels of women's skills/training?

Is there a need to upgrade women's skills and are the facilities available?

6.4 Involvement of NGO

Non-government organizations and private sector can play significant role in planning and execution of rehabilitation activities in development projects. However, their role and responsibilities must be carefully planned to ensure that their inputs are provided in a timely fashion in accordance with implementation schedule. The scope of inputs provided by non-government organizations and private sector must be tied to achieving the desired results. Where non government organizations and/or private sector institutions are contracted to carry out certain income restoration activities, their work must begin with a time-bound strategy for withdrawal upon achieving the set targets. However, it must be ensured that sustainability is designed into the project so that once the non- government organizations /private sector institutions withdraw there is no vacuum and the gradual thinning out support and help to the affected persons is a better propositioned and at the same time ensure that the dependency syndrome does not build up among them.

Technical skills training can be offered through cooperation with international NGOs working in the country or in the district. The use of non-government organizations with well-established skills in community development, or consultants with similar backgrounds, cannot be emphasized too strongly. Non-government organizations involved in public consultation, with its regular workshops and scheduled meetings, need to broaden concept than mere 'public relations' for the Project. It needs also to be incorporated into the income generation activities as a day-to-day consultation with APs about which income restoration packages make sense to them and a collaboration with them in implementing these.

6.5 Monitoring Livelihood Restoration Program: Key Indicators

Monitoring of livelihood restoration program is essential and that the project should ensure budget, human resource and the schedule of monitoring. It should be done on a regular basis by the Unit or department responsible for resettlement plan implementation. Detailed monitoring and supervision is discussed in section 14. This section however, identifies key indicators for monitoring livelihood restoration programs only.

Monitoring indicators typically come from baseline data. Some of the potential indicators related to livelihood restoration measures are listed below:

- Number of displaced persons under the rehabilitation programs (women, men, and vulnerable groups).
- Number of displaced persons who received vocational training (women, men, and vulnerable groups).
- Types of training and number of participants in each.
- Number and percentage of displaced persons covered under livelihood programs (women, men, and vulnerable groups).
- Number of displaced persons who have restored their income and livelihood patterns (women, men, and vulnerable groups).
- Number of new employment activities.
- Extent of participation in rehabilitation programs.
- Extent of participation in vocational training programs.
- Degree of satisfaction with support received for livelihood programs.

- Percentage of successful enterprises breaking even (women, men, and vulnerable groups).
- Percentage of displaced persons who improved their income (women, men, and vulnerable groups)
- Percentage of displaced persons who improved their standard of living (women, men, and vulnerable groups)
- Number of displaced persons with replacement agriculture land (women, men, and vulnerable groups)
- Quantity of land owned/contracted by displaced persons (women, men and vulnerable groups)
- Number of households with agricultural equipment
- Number of households with livestock
- Noticeable changes in patterns of occupation, production, and resource use compared to the pre-project situation.
- Noticeable changes in income and expenditure patterns compared to the pre-project situation.
- Changes in cost of living compared to the pre-project situation.
- Changes in key social and cultural parameters relating to living standards.
- Changes occurred for vulnerable groups.
- Benefiting from the project by the displaced persons.

Source: Adopted from ADB IRS: A Planning and Implementation Good Practice Sourcebook – Draft Working Document, 2012.

7. Institutional mechanism for RP Implementation

7.1 Institutional Model for RP Implementation

National Resettlement and Rehabilitation Policy 2071 has provisions for various levels of government organization responsible for planning and implementation of resettlement and rehabilitation plan.

For the implementation of RP two main committees and Units are responsible. These are Compensation Determination Committee (CDC) and Resettlement and Rehabilitation (R&R) Unit of the Project.

Compensation Determination Committee (CDC): CDC will be responsible for fixing the compensation value for all affected assets. CDC will use the valuation criteria as stated in the NRRP Policy 2071. The composition of Compensation Determination Committee is as follows:

- | | |
|---|--------------------|
| a) Chief District Officer | - Chairperson |
| b) Representative (elected) of District Development Committee | - Member |
| c) Chair of concerned VDC/Municipality | - Member |
| d) Chief Land Revenue Office of the District | - Member |
| e) Head of the Concerned Project | - Member secretary |

CDC can invite respective representative of the national assembly, Chief of Survey Office of the District, representative of APs and resettlement specialist as special invitee.

However, the Land Acquisition Act 2034 has provisioned four-member committee including CDO, DDC representative, Chief of land Revenue Office and the Project Head. Until a new Act is promulgated or the policy is formally approved, rest of the members as well as those listed as invitee will participate as invited members in the CDC.

The Project Head or, the person officially assigned by the government of Nepal for the Project will be responsible for activating the CDC and arranging the meetings. Details of setting agenda and preparations of necessary documents for the meeting of the Committee rest on the Project. The Resettlement and Rehabilitation (R&R) Unit of the Project will function as the Secretariat of the Committee.

For operational purpose CDC may form a Task Force for assessing the value of affected land and other assets by the project. While assessing the values the task force will follow the valuation standards specified in the NRR Policy 2071. For CDC, the recommendation of the task force will form the basis for fixing the compensation of assets affected by the project.

Resettlement and Rehabilitation (R&R) Unit of the Project: Projects with High and Medium Risk that entail resettlement and rehabilitation will set up Resettlement and Rehabilitation Unit at the project level.

The number of human resource in this Unit will depend upon the extent of resettlement and rehabilitation activities of the Project. However, at the minimum, this unit will have:

- Coordinator or Unit Chief
- Resettlement Expert
- Monitoring Expert

The Project (Chief) working closely with the Resettlement and Rehabilitation Unit at the Department level will be responsible for setting up the Unit. NRR policy 2071 has provisions for Resettlement and Rehabilitation Units at the Department and at the Ministerial level for facilitation of resettlement activities, monitoring and approval of necessary reports/documents.

7.2 Role and Responsibilities of Various Position

Though CDC and concerned resettlement and rehabilitation units of the Project, Department and the Ministry are directly responsible for implementation of RP, a number of other agencies are also indirectly responsible for resettlement activities. Section 5 of this has provided resettlement Planning Activities in the Project Cycle and Responsible Agencies as per Nepal LARRP 2071. As a result this sub-section only covers the roles and responsibilities after resettlement plan has been approved by the concerned Ministry (high-risk project) or the Department (medium risk project).

Table 7.1 provides a sketch of roles and responsibilities of various agencies and positions.

Table 7.1 Roles of Responsibilities of Agencies and positions for RP Implementation

SN	Agency/positions	Roles and responsibilities	Remarks
1	Respective Ministry or the Department	<ul style="list-style-type: none"> • Approval of Resettlement and Rehabilitation Plan • Establishment of a functional Resettlement and Rehabilitation Unit 	For High and Medium Risk Projects
2	District Administrative Office	Approval of Land Acquisition and Compensation Plan (ACP)	For Low Risk Projects
3	The Project	<ul style="list-style-type: none"> • Implementation of RP • Establishment of a functional Resettlement and Rehabilitation Unit within the Project • Hiring and/or commissioning necessary human resources • Provision of budget for RP implementation and functioning of R&R Unit • Establishment of Public information Unit or other sub-committees at the project level as per RP of the Project 	Separate Unit in the Project to handle resettlement and rehabilitation activities
4	Compensation Determination Committee (CDC)	<ul style="list-style-type: none"> • Valuation of assets affected by the project as per legal requirement • Formation of Task force for providing recommendation for final valuation of affected assets • Organization of consultation meetings necessary for asset valuation • Payment of Compensation • Providing necessary guidelines 	The R&R Unit of the Project will function as the secretariat of CDC.

		<p>and support to the projects for implementation of rehabilitation assistances</p> <ul style="list-style-type: none"> Grievance hearing and addressal at the district level 	
5	Project Head (Manager)	<ul style="list-style-type: none"> Overall implementation of RP Organizing necessary meetings of CDC Setting up of R & R Unit and making provisions of human and financial resources Providing necessary guideline and monitoring of the functioning of the Unit Grievance hearing and addressal at the project level Facilitating any other social safeguards related activities of the project. 	The Project Manager will be supported by R&R unit in all resettlement related activities.
6	Resettlement and Rehabilitation Unit of the Project	<ul style="list-style-type: none"> Prepare all necessary document to facilitate the functioning of CDC Function as secretariat of CDC Facilitate APs for getting their entitlement Organizing meetings of CDC as per the guidance of Project Head. 	<p>The head of the Unit working under the guidance of Project Head will prepare all documents necessary for CDC for their decision making.</p> <p>The Unit head will keep minutes of all meetings of CDC</p>
7	Regional Administrator	<ul style="list-style-type: none"> Grievance Redressal: Regional level 	As per NRRP 2071

7.3 Resources Required for RP Implementation

In any high or medium risk projects the implementation of resettlement plan is a challenging task. The key to successful implementation of RP is to ensure that the executing agency is ready and provisions for required resources are allocated properly and adequately. The institution building comes first. For successful implementation of a resettlement plan, resettlement institution building must be adequately financed in the budget. It includes staffing, staff training and capacity building, engaging NGOs, and carrying out monitoring and evaluation. During project appraisal, financial and budgetary decisions should be made on the followings:

- establishing a resettlement unit with trained human resources to deal with policy, planning, implementation, and monitoring of resettlement-related issues
- provisions for and sources of funding for running the resettlement unit and compensation and resettlement
- costs related to functioning of various committees as per LARRP 2071
- provisions for contingency funds in resettlement budget and
- annual budget allocations and provisions for budget modifications.

It is the responsibility of the project to make provisions of budget and its mobilization. However, in the development partners funded projects especially in the case of ADB funded projects the

safeguards policy statement 2009 permits the inclusion of resettlement expenditure as eligible for project financing. This is primarily to ensure that resources are made available on time.

The head of the resettlement unit or the organization should have some flexibility in budgetary provisions to authorize fast disbursement of funds if needed, for resettlement purposes. The head of the unit should also be authorized to coordinate with related departments, hire NGOs, or contract out any specific aspect of the resettlement operation (for example, socioeconomic surveys, preparation of resettlement plan), if required.

7.4. Involving Nongovernment Organizations in Resettlement Implementation

NGOs can play significant role in planning and execution of resettlement and rehabilitation activities of development projects. When project lacks the capacity to implement all aspects of resettlement, NGOs can be brought for partial or full implementation of resettlement activities. Often times, affected people may trust more to NGOs to represent their concerns. Usually NGOs have more knowledge of and experience with relevant legal instruments and their operational issues than the affected people. They can advocate the interest of APs. However, their role and responsibilities must be carefully planned to ensure that their inputs are provided in a timely fashion in accordance with implementation schedule. Their scope of work must be tied to achieving the desired results. Initial stakeholder analysis identifies various interested groups and NGOs relevant to the project. If there are NGOs with relevant expertise, the project team should meet with such NGOs and the APs together. Meeting together provides opportunity for the project team to examine the trust of local people with the particular NGO and to minimize the risk that the NGOs fail to represent the interests of affected people.

NGOs can act as intermediaries between project executing agency and the affected people and facilitate the channeling of affected person's views and preferences to the executing agency. NGOs may be in a better position to mobilize APs and organize them to work together to minimize adverse effects or maximize benefits from the project.

NGOs can be hired on a contract basis. The project should have strong field office to coordinate with the NGOs. The advantages of involving NGOs are: i) they are in close contact with local people in general and with the APs in particular, ii) decisions are made promptly and the process of decision making is less cumbersome, iii) because they are based locally, they will have already won or can win the trust of local people more easily than the project, iv) they know the best ways to deal with the project and the government staff, and v) these NGOs are likely to continue to operate in the area even after project construction is completed. However while selecting the NGO care must be taken to ensure that NGOs represent APs interests, rather than their own agendas.

The criteria for selecting NGOs for resettlement work should include the following. The NGO should:

- be registered with the government as an NGO with good standing and sound financial condition for project implementation purposes;
- be from the affected area or have prior work experience in the area;
- have appropriate staff with technical and social skills in resettlement, community development, and participation
- should have familiarity with local languages, customs and traditions
- have a good track record in terms of program planning and implementation in areas like community development, gender issues, poverty, environment and consultation and

- participation;
- not be involved with any political party or ethnic and/or religious group directly or indirectly;

When NGOs are hired to carry out certain resettlement and rehabilitation activities, their work must begin with a time-bound strategy for withdrawal upon achieving the set targets. NGOs are seen effective in carrying out rehabilitation activities such as providing skill trainings and other livelihood restoration activities. However, it must be ensured that sustainability is designed into the project so that once the NGO withdraws there is no vacuum and that the dependency syndrome does not build up among affected people. NGOs involved in public consultation, with its regular workshops and scheduled meetings, need to broaden concept than mere 'public relations' for the Project.

7.5 Capacity Building Needed to Strengthen Institutional Capacity

The project, especially the resettlement unit must deal with dynamic situations. Therefore, the staff handling resettlement activities must have experience and knowledge to adapt to resettlement challenges. In fact, effective implementation of resettlement activities hinges on: i) application of technical skills of the staff, and ii) degree of their commitment to resettlement principles and objectives.

The feasibility study team should assess the existing human resource situation and the institutional capacity of the project implementing agency to undertake resettlement operations. Based on the analysis of existing capacity and the needs, a plan for capacity building with budget provision should be developed.

A few notable steps in capacity development include:

- Conduct a technical assessment comparing the existing skills and experience base of available staff with expected requirements;
- Make a provision for resettlement staff to visit some successful projects so that they gain knowledge and experience of resettlement planning and implementation during the early stages of the project implementation. This is because sensitivity of APs and commitment to resettlement objectives are more difficult to instill through formal training;
- Provide training in stages so that staffs have more time to absorb and focus on actual phases of preparation or implementation of resettlement activities.

It may not be possible to have in-house sources of training within the organization all the time. As a result, external sources of resettlement training may be warranted. For this national level training centers are one of the options so that these centers can be used to provide necessary training to the project staff. However, it is not practical to send all the staffs that need training to national centers. Project level training is more practical in such cases. Experienced trainers from national centers or universities can be invited to provide training at the project level in this situation.

Training as part of capacity development should be appropriate for intended participants. Training for senior officials should focus on policy issues whereas training for middle and junior level should concentrate on field operations.

8. Grievance Redressal Mechanism

8.1 What is Grievance Redressal Mechanism (GRM)

A GRM is a formalized way for a project to accept, evaluate, and resolve affected people's complaints about project activities and it is locally based. A GRM should not be thought of as a substitute for a project's information disclosure and consultation process, or vice versa. The two are complementary and should be mutually reinforcing.

The implementation of resettlement activities, especially in large projects requiring relocation and economic rehabilitation is complex and burdened with dangers of complaints and grievances. Even in projects involving minor acquisition of assets requiring compensation payments, not adhering to the basic principles of resettlement and entitlement may lead to serious complaints and grievances by APs. In most cases the complaints and grievances in resettlement arise mainly due to the lack of transparency and poor information dissemination and consultation by project authorities. Even if the compensation entitlements and rates are in accordance with Land Acquisition, Resettlement and Rehabilitation Policy 2071, lack of awareness of these aspects among APs may lead to suspicion and complaints. In addition, in many projects complaints and grievances relate to inventory of loss, entitlements and compensation rates for affected assets. Therefore, transparency and careful actions by the project authorities during resettlement preparation can minimize many of such problems that lead to complaints.

8.2 Who is Responsible to Set-up GRM

The project owner is primarily responsible to address all complaints and grievances in a project. Therefore, it is the responsibility of the project owner to set-up a grievance redressal mechanism and that it should be set-up as soon as project authorities carry out census, inventory of loss, socio-economic surveys and determine entitlements to compensation, allowances and other assistance. It is because experience suggests that most of the complaints are related to entitlement, inventory and delivery mechanism.

Setting up grievance redressal mechanism is important but more important is to designing ways to minimize such grievances. Some actions and activities that help minimize, if not avoid grievances and complaints include:

- Carrying out meaningful consultation with APs from the early stage of project development on all aspects of resettlement planning and implementation and informing them on project objectives, impacts, policy provisions and entitlements;
- Preparing inventory of losses in the presence of household heads and certification by them on accuracy;
- Providing with a copy of Public Information Booklet (PIB) to each APs and other interested groups
- Provide copy of summary compensation form to each APs;
- Making provisions of APs participation in decision making committees and mechanisms
- Ensuring that the information on official and market rates for all types of affected assets are provided to the APs.

8.3 Operational Mechanism of Grievance Redressal

LARRP 2071 has provisioned for three levels of grievance redressal mechanism: project level, district level and regional level.

Project level Committee: There will be a grievance redressal committee at the project level headed by project chief. There will be representative of project affected persons in the committee along with project staff responsible for resettlement and rehabilitation. The project chief will request the APs to select the representative to participate in the committee. In case of failure of selecting representative by the APs the project chief will nominate from among the APs. While nominating the member due consideration will be given to nominate one female member and one male member. Apart from two members, the project chief may invite more members if he/she feels that some seriously affected persons need more representation. This committee will address complaints from APs that relate to resettlement plan preparation and implementation. More importantly, if the committee feels that some grievances are beyond their jurisdiction, it may recommend them to the district level committee.

District level Committee: Complaints not resolved at the project level or those out of its jurisdiction are handled by district level grievance redressal committee headed by Chief District Officer (CDO). Members of the committee include representative of the Office of the District Attorney and resettlement and rehabilitation expert. District Administration Office in consultation with the Project will prepare a roster of relevant experts and nominate one of them to sit in as a member of the grievance committee. The project may request its concerned Department for the experts' list in case of non-availability of such specialists at the local level.

This committee will hear and address issues and complaints related to valuation of affected assets, delivery of entitlements, and other complaints related to implementation of resettlement plan. Any unresolved issues and complaints as well as issues of projects implemented in two or more districts, the committee will forward to the Regional Committee.

District Administration Office with initiation from the project will be responsible to set-up the District-level Grievance Redressal Mechanism/Committee.

Regional Level Committee: There will be a regional level grievance redressal committee under the chair of Regional Administrator. Other members of the committee include Joint Secretary of the Concerned Ministry, Senior level Legal Officer of the Regional Administration Office, Resettlement Expert and head of Resettlement Unit of the concerned Department. This committee will address grievances related to asset valuation and compensation payment, equitable and timely delivery of entitlement, and any issues related to project affected area. The committee will carry out its hearings at the field level.

Any complaints or grievances should be registered at the project level and with due process they will be forwarded to the respective committees.

Formal Court of Appeal: If any AP is not satisfied with the decisions of the Regional Level Grievance Redressal Committee, he/she can go to the Court of Appeal.

8.4 Documentation

All grievances and complaints received by the project should be fully documented. Likewise, all hearings and decisions on the complaints must be documented.

Unresolved issues should be forwarded to the higher level committee with full documentation. Documentation of all grievances and complaints received by the project, their addressal and

forwarding is the responsibility of the Head of the Resettlement and Rehabilitation Unit of the project.

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9. National Policies, Laws and Regulations

9.1 National laws and policies applicable on project

The Land Acquisition (LA) Act 2034 (1977) has remained the main legal instrument or framework for land and property acquisition in the country and a discussion on land acquisition, compensation and resettlement related provisions of this act is imperative. Since 1992, i.e. after the change in the national political system (from party-less Panchayat to multiparty democracy), the LA Act has been amended several times. These amendments however, have been primarily aimed at changes in the name of the institution, title of authority and administrative set-up so as to fit the new constitutional provisions. The basic tenets and coverage of this Act has remained unchanged since its promulgation in 1977. The preamble of the LA Act states that the act was formulated in order to update and integrate the legal provisions regarding land acquisition.

Clause 3 of the Act provides for acquisition of land for any public purpose, subject to the award of compensation. In addition, institution's seeking land acquisition (such as water user committees) may also request the government to acquire the land under the regularity provisions, subject to compensation by such institutions' resources (Clause 4). Clause 27 of the Act provides for land acquisition through the mutual agreement with the plot owners, where the process of land acquisition as per the Act is not required. The Act grants the plot owner the right to choose between a mutual agreement process or the formal process for land acquisition (as described below). In cases wherein Clause 27 is enacted, and the plot owner is not satisfied with the compensation agreement offered, as per Clause 18 (sub clause 2) the plot owner can file a complaint with the Government of Nepal in line with the provisions of the LA Act.³

Under this Act, the acquisition and compensation of privately-owned assets are undertaken in line with a formal procedure, consisting of (a) initial procedures, (b) a preliminary investigation process, (c) acquisition notification, (d) compensation notification, and (e) appeal procedures. The Act also has a provision for constitution of a Compensation Determination or Fixation Committee (CDC) for land acquisition and compensation activities in the district (clause 13) for determining the amount of compensation to be paid. This clause is activated in the district wherein land acquisition is to be carried out.

9.2 Gaps between Land Acquisition Act 2034 (1977) and International Good Practices

At present, the land acquisition, compensation and resettlement & rehabilitation activities associated with development projects, are still guided by the 37-year old Land Acquisition Act, 1977. The country context, political system as well as scale and magnitude of development Projects – all have undergone profound change since the 1970s. In view of the current context and development needs of the country, while many of provisions of the LA Act seem outdated, many pertinent resettlement and rehabilitation provisions are missing in this Act. There are also many good provisions in the Act (as noted above), which are progressive in nature and need to be further built upon.

A detailed comparison of the LA Act and international good practices is made elsewhere (see Diagnostic Study Report, 2014). However, some of the key gaps identified between these two are summarized below:

³ As per latest amendment, Regional Administrator is responsible for redressing such complaints.

- Avoidance and/or minimization of involuntary resettlement are the basic principles of social safeguard system to be adopted in the project conceptualization and design (as per DFI policies). In comparison, the LA Act lacks provision of a clear directive to examine various project design options so as to avoid and/or minimize physical and/or physical displacement. It appears that this Act comes into force only after project area is already defined and thus it is silent on consideration of alternative project designs.
- The Act is silent about the overall social impact assessment of the Project to identify the differential impact of land and other asset acquisition on the affected persons/households and to the community. Under LA Act 2034, preparation of inventory of all losses by entitlement status is required. Land Acquisition Officer (LAO) shall be responsible to identify survey and notify the concerned parties and others about the activities related to acquisition. The Act has no explicit provisions on conducting a social impact assessment in the proposed project area.
- Apart from providing compensation for land (and other assets on land) at market price, the Act is largely silent on mitigation of other social impacts. There is a general neglect of all affected persons (irrespective of their title status) and of those whose livelihoods are affected by the project, in particular. Being a dated document, the LA Act has no provisions for formulation of a RP except for making an inventory of all kinds of losses by ownership status. Also, the Act is silent on payment of compensation as per replacement cost. Since social and economic impacts are unavoidable in development projects, provision of mere compensation for loss mitigation, will only lead to a risk of impoverishment of affected households in the long run. The Act lays down no provisions for rehabilitation assistance.
- Transparency, meaningful consultation with affected persons and other stakeholders, participation of APs in project process and information disclosure are key mechanisms for addressing social impacts of the Project. The Act does not include such provisions except for the provision of public notification by the Chief District Officer (CDO) after he/she receives the report on the preliminary assessment on land requirements. This notification has to provide details of the affected property.
- The LA Act 2034 is silent on requirements of preparation and/or disclosure of involuntary resettlement planning information to project-affected persons. The only provision made in the Act, in this regard, is a provision for informing the stakeholder about the details of land (including houses, sheds, structures, trees etc) to be acquired by government.
- Being an outdated document with coverage limited to land acquisition and compensation only, the Act is silent on providing any support to existing social and cultural institutions of the affected persons. The Act is also silent on requirements of supervision, monitoring and evaluation of social impacts and that involuntary resettlement implementation. The apparent time gap between notification of acquisition and payment of compensation is poorly addressed.

9.3 Project Level Policy Framework

For lack of comprehensive legal document on resettlement and rehabilitation, the current practice is dominated by development of project specific policies. These project specific policies

have normally followed the guidelines/handbooks of respective development partners such as Asian Development Bank, the World Bank and others. In view of the need for a comprehensive resettlement and rehabilitation policy applicable to the nation as a whole, the Government of Nepal initiated the process for preparation of a national R&R policy in 1998. Most recently, a draft Land Acquisition, Resettlement and Rehabilitation Policy for Infrastructure Development Projects 2071 (2014) (*purvadhara vikas aayojanaka lagi jagga prapti, punarvasa tatha punarsthapana sambandhi niti 2071*) has been developed and is approved by the Secretary level Working Group chaired by NPC Secretary on September 11, 2014. This policy document follows most of the international good practices of resettlement and rehabilitation and covers both the physical and economic displacements in the projects.

Any development projects related to infrastructure development and other sectors in Nepal that displace population should follow the provisions of LRRP 2071 (noted above) as its project policy framework. This is irrespective of funding source, i.e., donor funded, private sector initiatives or government funded. To reiterate, some of its salient features include:

- To avoid and minimize displacement and to promote, as far as possible, non-displacing or least-displacing alternatives;
- To ensure adequate rehabilitation package and expeditious implementation of the rehabilitation process with the active participation of displaced persons;
- To ensure that special care is taken for protecting the rights of, and ensuring affirmative government action for vulnerable segments of society, especially members of *Dalit groups, marginalized adivasi/janajati*, landless, women, especially women-headed households, differentially-able, poverty groups and senior citizens and to create obligations on the government for their treatment with concern and sensitivity;
- To ensure that no impoverishment of people shall result as a consequence of compulsory land acquisition;
- To integrate rehabilitation concerns into the development planning and implementation process;
- To have in place a consultative, transparent and accountable involuntary resettlement process with a time frame agreed to by the project executing agency and the affected people;
- To ensure that grievance redressal mechanism is in place so that any grievances of the APs are addressed timely and in a just manner;
- To have in place the efficient institutional set-up and adequate budget for resettlement activities;
- To ensure that land acquisition takes place following one or combinations of the four provisions specified: i) voluntary donation, ii) direct negotiation, iii) land development scheme, and iv) land acquisition with due legal process. Also to ensure that the voluntary donation applies only in case of local level projects demanded by the local communities, where the loss of asset is minimal and the voluntary donor does not become a marginal farmer (as a result of the donation) or does not belong to member of vulnerable community;
- To have proper resettlement planning, including developed relocation sites with amenities/easy access to amenities;
- For resettled farming communities, homesteads sites of sufficient size for storage of agricultural produce, keeping of livestock and for kitchen gardens;
- Employment on the project, where possible, to at least one member of each affected household, with half of the employment opportunities reserved for women; and
- To have additional relocation and rehabilitation support measures, particularly to

displaced households, severely affected households, women and vulnerable people.

Until If the R&R Policy 2071 (2014) gets through the cabinet and subsequent Act is promulgated the Land Acquisition Act, 2034 prevails. As a result, in addition to provisions of the LA Act 2034 and in order to restore and/or improve the livelihood of affected people, project specific policy framework is a must.

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10. Disclosure and Endorsement of RP and Social Safeguard Framework

10.1 When and How To Do Disclosure of RP and Social Safeguard Framework

Disclosure and consultation and participation constitute an integrated process in the preparation and implementation of a resettlement plan. The Project must disseminate information to affected persons and consult with them in a manner that is commensurate with the anticipated project impacts on the affected communities. Disclosing information should precede the consultation process. Limiting disclosure may damage the project.

The advantages of disclosure are:

- Greater awareness about the project and its objectives
- Helps promoting local decision making and the participatory development strategy
- Stakeholders are better informed due to the two-way flow of information between the project sponsors and the affected people and communities
- Ownership of the project by the affected persons is enhanced.

Timely disclosure of project information is essential for creating positive environment for the success of the project. "Timely disclosure" means that the affected people should have access to relevant project information that is understandable and acceptable to them well before the project authorities make any decision that will affect these people.

Table 10.1 presents the documents, timing and the responsibility of disclosure.

Table 10.1 Disclosure of RP Documents, Timing and Responsibility

Documents	Timing of disclosure	Responsibility
Resettlement framework/ Draft Resettlement Plan	Feasibility study	The Project/ Sectoral Ministry/Private sector
Final Resettlement Plan (endorsed)	Detailed design	The Project/Development Partner
New or updated resettlement plan (if there is a change in scope or there are unanticipated impacts)	After resettlement plan has been revised or a new resettlement plan has been prepared due to a change in technical design or change in scope	The Project/Development Partner
Corrective action plan, if any	During project implementation, upon receipt of corrective action plan	The Project/Development Partner
Resettlement monitoring reports	Semi-annually	The Project/Development Partner

The disclosure should be made through print as well as electronic media. Preparation of summary booklet with project details and making it available to all project stakeholders is one way of information disclosure. Public gatherings or project hearings are mandatory where all project related information are discussed. The resettlement instruments (draft as well as final) must be made available at locations that are convenient to the APs and other local stakeholders in a form and language understandable to these groups. Large documents may be made available at project information center, project office, and national libraries. The concerned

ministries and their respective Departments will have all project documents in case; any person shows interest for reviewing the document. Websites should be developed and all relevant resettlement related documents should be uploaded in the websites. Update of project website is a must and it is the responsibility of the project.

10.2 Who Will Do Endorsement of RP and Social Impact Assessment

International good practice indicates that integral participation of affected persons in all levels of resettlement planning and implementation and public disclosure of RP are critical for any development projects that involve population displacement. It is the responsibility of the project proponent to inform potentially affected persons to inform at early stage about resettlement aspects of the project and take their views into account in project design. The consultations carried out during preparation of RP are part and parcel of consultation and disclosure.

As noted earlier, according to LARRP 2071, two kinds of RP are envisioned and their endorsement authorities are different. Table 10.2 presents types of RP and their endorsement authority.

Table 10.2 Preparation and Endorsement Authority of Resettlement Plan

Document	Responsible authority		Remarks
	Preparation	Endorsement	
Detail Social Impact Assessment	IA/The Project	Executing Agency	Resettlement Units under the Ministry or Executive Agency will review and facilitate approval process at the Ministry level
Land Acquisition and Compensation Plan	IA/The Project	Concerned District Level Office/District Administrative Office	This is prepared for projects with low risks
Resettlement and Rehabilitation Plan	IA/The Project	EA/Concerned Department	This applies to projects with medium risk
Resettlement and Rehabilitation Plan (for High Risk Projects)	IA/The Project	EA/Concerned Department	Resettlement Units under the Ministry or Executive Agency will review and facilitate approval process at the Ministry level

10.3 How to Document the Disclosure

The project authorities should assign their staff to document all disclosures of resettlement instruments by place and date of disclosure, the contents, and the feedback obtained from the participants. The details of full name and address and their status as whether AP or not should be recorded. If the disclosure is through public gathering all minutes of deliberations, participants, their responses should be recorded and a minute prepared. Keeping videos of public gatherings and hearings are helpful instruments for documentation. Such documentation is important especially when disputes arise about if the affected persons were consulted properly and/or in a timely manner.

The resettlement and rehabilitation unit of the project should also function as documentation center.

11. Updating and Finalizing a Resettlement Plan Under Project Implementation

11.1. Need for updating RP

During detail design of the project, changes may take place in the alignment of project. Likewise, the location of project components may change which entails impact on other households than the ones envisaged earlier. In these circumstances RP needs updating. An updated RP should be prepared and approved. Those not affected should be deleted from the list whereas the new ones should be added in the list of APs. In addition, if the time gap between preparation of RP and its implementation happens to be more than two years an update is necessary because the population may change and so could be the occupation and livelihood pattern.

During implementation some changes may take place. If any such changes impact the livelihood of people, an update of RP and subsequent entitlement delivery is a must.

11.2 How to update the RP

The update should follow 100% census of all additionally affected persons and preparation of inventory of loss of all their assets. All additional APs should be duly consulted, informed and their concerns recorded. All updates should be done by visiting each and every household by a team headed by a Resettlement Specialist. If the number of additional APs is small, the Resettlement and Rehabilitation Unit of the Project can carry out census and inventory of loss. Once census and surveys are carried out for updating, it should be followed by an update in the database of the project.

11.3 Role and responsibility for updating RP

Updating RP is the responsibility of the Project. The role Resettlement and Rehabilitation Unit of the Project is to carry out census and surveys of additionally affected persons. If the number of APs and the amount of loss likely to incur is high and the Unit does not have adequate human resource capacity the task can be contracted to experts or experienced agency.

The Project manager will be responsible to mobilize necessary funds required for the update of the RP. Updates should be posted in the websites.

12. Resettlement Plan Implementation

Successful resettlement implementation and the desired outcome depend on the quality of implementation. Unless the resettlement programs and activities are carefully implemented, even the best plans do not by themselves improve the livelihood of affected persons. The following section outlines some key elements of successful implementation.

12.1 Preparation Required

Arrangements for successful implementation of RP start from the final stage of project preparation. The first and foremost step is to ensure that the executing agency and implementing agencies are ready and that they are adequately staffed and equipped before the implementation begins. Readiness can be summarized as follows:

- Adequately staff and equip the resettlement implementation agency and/or the project before implementation begins: The implementing agency should be adequately staffed and have necessary resources and equipments such as office space, computers, furniture, vehicle etc. Resettlement is not a preferred activity of the government and many resettlement programs suffer from inadequate staff, resource and equipment.
- Explain the salient features of resettlement plan to key project staff and all persons working in the resettlement and rehabilitation unit of the project and its line ministry and the department: This activity should not be considered as taken for granted but in many projects the key staff of the implementing agency or the Project are unaware of the actions proposed in the resettlement plan. The responsible officers for resettlement implementation should take part in the detail discussion of RP and of constraints and challenges likely to arise during implementation.
- Relate the resettlement implementation schedule to adequate staffing levels and resource requirements at various stages: Various staff and resources are required at various stages of resettlement implementation. Considerable time may be needed to mobilize resources and hire staff. Therefore, the higher level officers should be made aware of the required staff and the resource need in advance.
- Activation and/or establishment of implementation coordination mechanism: It is important to ensure that a mechanism of close coordination of the executing agency, local government agencies and line agencies exists. Such a coordination is important to solve routine resettlement problems likely to be encountered in the initial stage of implementation
- Continue consultations with the affected persons: The needs and priorities of affected persons may change when there is time gap between the resettlement planning and implementation. This requires some modifications in the resettlement program or resettlement program may be substantially changed requiring more consultation with the affected persons and other stakeholders.
- Updating census and social surveys, if necessary: In some projects such as large dam, the gestation period may be long. Time gap between the census taking and surveys and the onset of resettlement implementation may be long. In such cases, census and socioeconomic information should be updated. This is because the updated information may have resources implication for the project.
- Issue some form of identity cards to the affected persons eligible for entitlement
- Establish field offices with appropriate staff for resettlement plan implementation and monitoring

- Establish local resettlement and grievances redress committees and ensure funds are available for their activities.

12.2 Resettlement Databank and Management Information System

During preparation for implementation, if updating of census and surveys was done, this needs to be integrated with the existing databank and the management information system. This is very important for updates but also for monitoring of resettlement entitlement and subsequent livelihood restoration and/or improvement. Once the resettlement databank and information management system is updated, the RP implementation can be formally initiated. To avoid cost overrun and delays, timely implementation of a project is a must. For this, the Project or implementing agency must remain focused on the project timeline and resettlement work. A synchronization of civil work with land acquisition and compensation is the key and resettlement databank and the information system facilitates the process by providing all necessary data for entitlement delivery and subsequent activities in the project area.

The output forms of management information system should be designed in advance to facilitate implementation activities. Some of the key output forms are as follows;

- Summary of impacts on land, structures, tree crops and other fixed assets
- Socioeconomic data for APs
- Entitlements to compensation for lost assets
- Entitlements to allowances and other assistance
- List of APs entitled to relocation with details on impacts and entitlements
- List of APs entitled to economic rehabilitation with details on socio-economic background and preferences for rehabilitation assistance measures
- Summary compensation form for each AP

Additional forms may be designed and produced depending upon the needs and requirements. The staff assigned for data management should also be responsible for preparation of supervision and monitoring reports based on the information provided by the field staff.

12.3 Relocation Site Identification and Preparation

For resettlement programs that involve physical relocation of people relocation site identification and preparation should be done before their land take. With respect to relocation the potential settlers have three options and they may choose one of the three options (Source: ADB: *Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook – Draft Working Document, 2012, p.53*). These include:

On-site relocation. On-site relocation is possible when the number of displaced persons is limited, population density is relatively low, and the project involves small scattered sites or narrow alignments. For example, the displaced persons may be allowed to occupy the part of the project site not required for a right-of-way, where they can clear the plot frontage for use in transport projects. In such cases, on-site relocation does not normally affect the existing socioeconomic settings and social organizations of the affected persons because displaced persons move only a very short distance. This typically occurs in linear projects.

Self-relocation. Self-relocation is when displaced persons take the initiative as individuals or a group to relocate to a place of their choice instead of resettlement sites. They do this for economic reasons, including employment opportunities and availability of replacement land, or

due to social considerations, such as the proximity of kin. This group also includes displaced persons who are entrepreneurial or willing to taking risks. Some of these people may move with all entitlements. They typically benefit, because many of the decisions concerning material issues, social contacts, and economic well-being are taken by the resettlers themselves. They may require only limited social or employment support from the project to regain pre-project levels of living.

Relocation to project-sponsored resettlement site. This is the option to relocate to sites selected by the executing agency in consultation with the potential resettlers and their host population. Typically, project sponsored resettlement sites are within one to two kilometers from the original village sites. This allows the resettlers to easily integrate with host communities due to acquaintances in the new community or familiarity with the area. If the sites are far from their original homes, tensions and stresses can result, particularly if the host area has different environmental conditions, economic and livelihood patterns, or social and cultural parameters. Relocation to distant sites or to those with different environmental, social, cultural, and economic characteristics should be avoided. The displaced persons moving to resettlement sites are likely to be more marginal and thus require more assistance for livelihood and income restoration.

The following measures would help successful relocation of people to the relocation site:

- Verify and ensure that each affected household is willing to and is ready occupy the specific resettlement sites. Some improvements or some re-allocation may be necessary to accommodate the wish of affected persons or households
- Prepare relocation sites, including community infrastructure and services, before the date of the actual move: It is a good practice to provide affected persons access to the resettlement sites prior to the actual deadline for the move. This makes the transition process smoother and also allows them to initiate productive activities in the resettlement sites early in the process. During transition the affected persons may engage in productive activities in both the affected area and the resettlement area. This engagement may provide them useful economic cushion during transition.
- Assist affected persons in the physical move to the resettlement sites. In case of cash entitlement for transfer of assets and if the relocation site is far, it is good that the project directly arranges transfer of people and assets. Such a provision is important in situations when the households do not have enough able bodies to arrange the transfer of assets, including salvage materials.

Where new housing is being constructed under the resettlement program of the Project, house layouts, designs and location of community infrastructure should be decided with participation of the resettlers. APs may have particular design or preference for their livestock, garden and other sheds and structures. In the resettlement programs an important issue is whether the resettlers wants to live in a compact settlement, on their respective farmland or along the road. The compact settlement has the advantage of proximity to infrastructure, services and other households but it may increase the distance to their farmland. On the other hand living along the roads not only makes transportation convenient but also it may provide opportunities for other livelihood options. In any case, the resettling community should be allowed to choose best suited options to them. However, it is important that the project discusses the implications of all the options with the resettlers.

During the process of relocation of housing the following issues should be taken into consideration:

- Allocate housing on the basis of clearly defined criteria. If resettlement takes place in the multi-storied housing in urban areas, household with older people, households with differentially able persons and households with commercially based livelihoods should get preference for the lower floors. Once, priority treatment households are allocated, other houses can be allocated either on a consensus basis or by random process of allocation.
- Make arrangement to ensure that resettlers have enough time to dismantle their old housing, transfer salvage materials or obtain the new ones.
- Arrange for transitional accommodation if needed.

12.4 Preparation of Host Communities

In planning for relocation, APs cannot be considered in isolation. The relocation of APs is likely to have impacts on the host communities in many ways such as employment, use of community services and infrastructure, pressure on natural resources and more. If the resettlement agency provides assistances to resettled population only, conflicts may arise between hosts and the resettled population. For preparation of host communities the following measures should be taken into consideration:

- Consult them meaningfully about the project, its resettlement framework, relocation options
- Discuss various options considered by the project for relocation of affected persons
- Explain the possible scenario after the affected persons are relocated in their community.
- Encourage their participation in decisions concerning actual site selection, layout and design and site development together with APs
- Ensure them that they can share the infrastructure and support services at relocation site with the resettled population.
- Inform them that the site development will not cause any environmental hazard or pollution in the vicinity and any adverse social or environmental impacts to them and that they can participate in programs for economic development and social integration together with relocates.

12.5. Gender Issues in Resettlement Implementation

Gender issues are crucial in the implementation of any resettlement plan. With respect to resettlement women are equally concerned with site selection, location, design, and suitability of the physical area as men are. Women in general are responsible for food, fuel, and fodder in the family. Due to negative environmental effects of projects on natural resources like forest, water, and land, fuel and fodder can become scarce. This can have direct impact on women, because they are responsible for gathering fuel and fodder. In addition, women's economic activities can be an important source of income for households. Many women may have been conducting home-based activities to supplement household income and that may be adversely affected due to relocation. Therefore, houses should be carefully designed to meet such functional requirements of women. Experiences elsewhere e.g., Calcutta Environment Improvement Project, India suggest that for women, the key considerations were safety of the sites and proximity to their original location. Being close to where they once lived gave them i) continuity

in employment, ii) the ability to walk to work; iii) the ability to return home quickly in case of an emergency, and(iv) access to basic social services. Local community based organizations and NGOs can facilitate relocation process by working the women and encouraging them to participate in the resettlement decision-making process. ADB publication, Gender Checklist: Resettlement (ADB, 2003) is a helpful guide on gender issues relevant to resettlement.

12.6 Relocation Site Transfer

Resettlement plan is time-bound. Therefore, land acquisition and transfer of eligible affected persons should be planned in such a way that the APs get their houses and plots in the relocation site immediately along with all land registration documents. LARRP 2071 specifies that affected persons will be transferred to new locations only after all infrastructures and amenities are in place in the resettlement site. This is important because once RP is implemented and the project is complete, resettlers need to take responsibility for the relocation site and service provisions developed by the project in the site. As noted earlier, land acquisition should take place only after full payment of compensation. Project resettlement units must therefore work closely with resettlers and local governments to organize associations and groups and provide capacity building training for all the elements involved in this task for smooth transfer. Discussing arrangement for handing over the operation and maintenance of local infrastructure facilities to the local governments and resettled communities is necessary. It is useful for resettlement implementation to include provisions for training staff from local governments as well as resettlers in operating and maintaining such facilities. This will create a sense of ownership, reduce dependence on the project, and help ensure that the sites and services are sustained after they are transferred by the project authorities or the executing agency. Often taken for granted this activity is important.

12.7 Payment of Compensations

Compensation payment is the most important activity in almost all resettlement programs. The LARRP 2071 requires that compensation for the acquired land, housing, and other assets be made at full replacement cost before displacement for project components or sections which are ready for construction. For smooth payment process the following measures are helpful:

- Pay compensation into bank accounts and not directly to affected persons: This process helps reduce the incidence of graft and corruption in the compensation payment process. Compensation amount deposited in the bank amount is unlikely to be used rampantly. Also, the involvement of bank in this process exposes APs to some saving and credit options that may be helpful to reconstruct their livelihoods. Depending upon the entitlement eligibility, APs may be requested for opening joint account with their spouse.
- Pay compensation on site, as far as feasible, rather than asking APs to come to the district headquarters.
- Inform all household members about compensation payment: informing all members of the households about compensation may encourage more effective use of funds. Compensation is normally for the benefit of all household members, despite the head of the household receiving the compensation.
- Involve local non-governmental organizations in the compensation process if necessary: This is particularly important when transparency becomes an issue. When there is lack of information on the part of APs, the NGOs may help them to decide on the optimum use of the amount for productive purpose.

13. Valuation of Lost Assets

13.1 Land Valuation Mechanism

Land Act 2034 and LARRP 2071 have established a mechanism in the form of Compensation Determination Committee. This Committee is responsible for valuation of affected assets and the payment of compensation. Its composition has already been discussed above. Valuation of affected assets will be at the replacement cost. Replacement cost refers to the cost of replacing an asset at a cost prevailing at the time of its acquisition. This includes fair market value, transaction costs, interest accrued, transitional and restoration costs, and any other applicable payments, if any. Depreciation of assets and structures should not be taken into account for replacement cost. Where there are no active market conditions, replacement cost is equivalent to delivered cost of all building materials, labor cost for construction, and any transaction or relocation costs.

LARRP 2071 states that a standard reference value for land will be prepared so that the affected land will be provided a replacement value. As noted earlier, for operational purpose CDC may form a Task Force for assessing the value of affected land and other assets by the project. For CDC, the recommendation of the task force will form the basis for fixing the compensation of assets affected by the project.

The following criteria will be used to come up with replacement value as per LARR Policy 2071:

- Market value which refers to the highest transaction rate of the plot or the plots surrounding the affected plots in recent years;
- Comparative reference value of the plot based on the relationship of shape, composition, frontage, aspect and area;
- Type and standards of road access e.g., blacktopped or gravel or dirt road and highway, feeder road etc.
- Minimum registration value as set by the concerned Land Revenue Office
- Relative geographic location of land including its strategic, commercial and cultural importance
- Type, category and use of land (agricultural, residential, industrial, commercial and others), and
- Any other site specific criteria deemed relevant by the Compensation Determination committee

With respect to houses and structures, compensation will be based on replacement value. Their valuation will be based on approved standards of concerned government agency. No depreciation cost will be deducted. Affected households can take salvage materials of their affected structures free of cost.

Setting all valuation mechanism in place and activating the concerned committee at the district level will be the responsibility of the Project. Until the Resettlement and Rehabilitation Unit is

established, the Project Head or, the person officially assigned by the government of Nepal for the Project will have to take this responsibility.

13.2 Participation of Affected HH

Existing legal provisions so far do not have mandatory provision of involving affected households in the valuation mechanism. However, considering the recent practices in the country and that of international best practices, it is important that meaningful consultation with affected households and their participation in the valuation of their asset mechanism is guaranteed. Their participation in the valuation mechanism is crucial for the success of the project as a whole and not only that of resettlement implementation. The RP identifies and describes the public consultation strategy. This emphasizes adequately informing the affected persons about the project's potential adverse impacts and proposed mitigation measures. Consultation needs to occur freely and voluntarily where the affected persons can express their views without any external manipulation, interference, or threat of retribution, and must be conducted in an atmosphere of transparency.

There are various ways of assuring participation of APs in the valuation process. One way is through community consensus valuation where the Compensation Determination Committee calls a meeting of representatives of the affected households and discusses the entitlements and various methods of valuation. The committee requests the representatives to discuss the rates and come up with a proposal of replacement rates. This rate can form the basis of negotiation for finalizing the compensation rates. The other way of participation in valuation is the representatives of APs in the Compensation Determination Committee as invited members (until legal provisions are in place to have representative of APs in the committee as full-fledged member). The representative should be gender-inclusive, tailored to needs of the disadvantaged and vulnerable groups. Ensuring consultation with and participation of women may require hiring female professionals and technical staff to engage female APs. It is through such engagement that appropriate benefits and mitigation measures can be selected, replacement value of affected assets are determined. The third way is participation of APs in the Local Consultative Forums (LCG) designed to facilitate resettlement plan implementation at the VDC level. One of the functions of LCG is to facilitate valuation of assets. As far as possible, APs participation in all three mediums is preferred.

The LARRP 2071 has provisioned for participation of APs' representative in the CDC as special invited members. Together with these representatives, there will be representative of the national assembly and resettlement specialist as special invitee on the CDC which is responsible for valuating assets and payment of compensation.

13.3 Confirmation of the Value to Market Value

In most projects the time-lag between the first preparation of RP, valuation of assets by CDC and the start-up of resettlement implementation may result in significant changes in the value of APs assets rendering confirmation of the set value to the prevailing market value. In these situations, the valuation should be revisited. The Project should take initiative in this respect so that the APs are not deprived of current market values of their affected assets. The confirmation of the value means that at the minimum APs can purchase land and/or assets of equivalent size and quality in the vicinity with the compensation amount they have received from the project within a given time frame.

13.4 Documentation

All consultations and formal meetings held for discussion and finalization of valuation of assets should be properly documented and signed by the project authority, the committee and if possible, by representative of the APs. Records of all these meetings and consultations should be kept separately by responsible person/staff of the Resettlement and Rehabilitation Unit of the Project. All these documents should be kept on the file (printed document) as well as in the electronic database. All these documents should be accessible to the APs upon request.

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14. Resettlement Supervision, Monitoring, Evaluation, and Reporting

Internal monitoring and supervision by project owners and external monitoring of resettlement implementation by the contracted agency are the most critical and important exercise that can make RP implementation successful, if carried out regularly and earnestly. The monitoring will identify any problems in the field operation and alert authorities to take appropriate actions in a timely manner. The monitoring system is established to: i) track the delivery of the planned resettlement activities to the affected people (e.g. whether compensation is paid, houses purchased, etc.) and ii) find out whether the planned activities are producing the desired outcomes. Monitoring is best thought of as a project management tool to detect and correct shortfalls in performance and/or achievement of outcomes. In projects with low risk "internal" monitoring is all that is needed. For projects with high and medium risk both internal and external monitoring is needed.

The executing agency for the project is responsible for organizing and resourcing the monitoring activities. The resettlement plan should specify the details of the arrangements for monitoring.

14.1 Internal Resettlement Monitoring Mechanism

Internal monitoring is often based on the identification (ID) number of APs in the project database or a card system kept in the Resettlement and Rehabilitation Unit of the Project. The ID number provides all details of entitlement due to and received by each affected household. The project may also provide each entitled person or household with a resettlement ID card recording their entitlement due and received for their own record.

The database prepared in the beginning of RP implementation should be supplemented by periodic surveys to measure change against the baseline established during initial census and surveys. As a good practice the Resettlement Plan normally specifies the followings for monitoring mechanism:

- Allocation of responsibilities for monitoring within the resettlement unit or agency. For large-scale resettlement, a special monitoring unit or group is desirable. For resettlement involving different agencies or levels of government, a coordination plan is necessary;
- Setting out responsibilities for specific tasks, including data collection, data analysis, verification, quality control, coordination with related agencies, preparation of reports, submission of reports to decision makers and ADB, and reviewing and acting on reports;
- Establishing the method to be used to collect and analyze data;
- Detailing of the resources required for field survey work and for record keeping, including the provision of specialists in sociology, social anthropology, and resettlement as specified by ADB policy;
- Specifying any requirements for building capacity and skills in monitoring, including the need and budget for a training plan;
- Laying down the time frame for data collection efforts and the preparation and submission of reports;
- Setting out the budget for monitoring, reporting, and evaluation;
- Providing for establishment of a database and management information system.

Monitoring will normally continue throughout the life of the project i.e., even after the period of intensive resettlement activity. This is because recovery from resettlement may take long time in some projects.

Monitoring indicators are typically from the baseline data and should be selected to address the specific contents of the activities and entitlement matrix. Table 14.1 presents sample monitoring indicators from which specific indicators can be identified and refined according to the specific project circumstances.

Table 14.1 Potential Monitoring Indicators

SN	Monitoring aspects	Potential indicators
1	Delivery of Entitlements	<ul style="list-style-type: none"> • Entitlements disbursed, compared with number and category of losses set out in the entitlement matrix. • Disbursements against timelines. • Identification of the displaced persons losing land temporarily, e.g. through soil disposal, borrow pits, contractors' camps, been included. • Timely disbursements of the agreed transport costs, relocation costs, income substitution support, and any resettlement allowances, according to schedule. • Provision of replacement land plots. • Quality of new plots and issue of land titles. • Restoration of social infrastructure and services. • Progress on income and livelihood restoration activities being implemented as set out in the income restoration plan, for example, utilizing replacement land, commencement of production, the number of the displaced persons trained in employment with jobs, microcredit disbursed, number of income-generating activities assisted. • Affected businesses receiving entitlements, including transfer and payments for net losses resulting from lost business.
2	Consultation and Grievances	<ul style="list-style-type: none"> • Consultations organized as scheduled including meetings, groups, and community activities. • Knowledge of entitlements by the displaced persons. • Use of the grievance redress mechanism by the displaced persons. • Information on the resolution of the grievances. • Information on the implementation of the social preparation phase. • Implementation of special measures for Indigenous Peoples.
3	Communications and Participation	<ul style="list-style-type: none"> • Number of general meetings (for both men and women). • Percentage of women out of total participants. • Number of meetings exclusively with women. • Number of meetings exclusively with vulnerable groups. • Number of meetings at new sites. • Number of meetings between hosts and the displaced persons. • Level of participation in meetings (of women, men, and vulnerable groups). • Level of information communicated—adequate or inadequate. • Information disclosure. • Translation of information disclosure in the local languages.
4	Budget and Time Frame	<ul style="list-style-type: none"> • Land acquisition and resettlement staff appointed and mobilized on schedule for the field and office work. • Capacity building and training activities completed on schedule. • Achieving resettlement implementation activities against the agreed implementation plan. • Funds allocation for resettlement to resettlement agencies on time. • Receipt of scheduled funds by resettlement offices.

SN	Monitoring aspects	Potential indicators
		<ul style="list-style-type: none"> • Funds disbursement according to the resettlement plan. • Social preparation phase as per schedule. • Land acquisition and occupation in time for implementation.
5	Livelihood and Income Restoration	<ul style="list-style-type: none"> • Number of displaced persons under the rehabilitation programs (women, men, and vulnerable groups). • Number of displaced persons who received vocational training (women, men, and vulnerable groups). • Types of training and number of participants in each. • Number and percentage of displaced persons covered under livelihood programs (women, men, and vulnerable groups). • Number of displaced persons who have restored their income and livelihood patterns (women, men, and vulnerable groups). • Number of new employment activities. • Extent of participation in rehabilitation programs. • Extent of participation in vocational training programs. • Degree of satisfaction with support received for livelihood programs. • Percentage of successful enterprises breaking even (women, men, and vulnerable groups). • Percentage of displaced persons who improved their income (women, men, and vulnerable groups) • Percentage of displaced persons who improved their standard of living (women, men, and vulnerable groups) • Number of displaced persons with replacement agriculture land (women, men, and vulnerable groups) • Quantity of land owned/contracted by displaced persons (women, men and vulnerable groups) • Number of households with agricultural equipment • Number of households with livestock
6	Benefit Monitoring	<ul style="list-style-type: none"> • Noticeable changes in patterns of occupation, production, and resource use compared to the pre-project situation. • Noticeable changes in income and expenditure patterns compared to the pre-project situation. • Changes in cost of living compared to the pre-project situation. • Changes in key social and cultural parameters relating to living standards. • Changes occurred for vulnerable groups. • Benefiting from the project by the displaced persons.

14.2 External Resettlement Monitoring and Evaluation Mechanism

In projects with high and medium risk the executing agency should hire an independent agency for external monitoring and evaluation to ensure complete and objective information. Likewise, post evaluation of resettlement is an essential part of project cycle. Independent evaluation can be done by outside research or consulting agency, relevant university departments or NGOs.

The main tasks of external monitoring include:

- Verifying results of internal monitoring;
- Assessing whether resettlement objectives have been met;
- Assessing resettlement efficiency, effectiveness, impacts and sustainability, drawing lessons as guides to future resettlement policy making and planning;
- Making certain whether the resettlement entitlements were appropriate to meeting the objectives, and whether the objectives were suited to prevailing conditions of the affected persons.

Table 14.2 presents a set of suggestive indicators for external monitoring and evaluation by the by a qualified and experienced external experts or university professionals or qualified NGOs.

Table 14.2 External Monitoring Indicators and Bases

SN	Monitoring Indicator	Basis for Indicator
1	Basic information on affected persons' households (Gender disaggregated data essential for all aspects)	<ul style="list-style-type: none"> • Location of the project • Composition and structure, ages, educational, and skill levels • Sex of household head • Caste/Ethnic group • Access to health, education, utilities, and other social services • Housing type • Land and other resource-owning and resource-using patterns • Occupations and employment patterns • Income sources and levels • Agricultural production data (for rural households) • Participation in neighborhood or community groups • Access to cultural sites and events • Valuation of all assets
2	Restoration of living standards	<ul style="list-style-type: none"> • Were house compensation payments made free of depreciation, fees, or transfer costs to the affected persons? • Have affected persons adopted the housing options developed? • Have perceptions of community been restored? • Have affected persons achieved replacement of key social and cultural elements? •
3	Restoration of livelihoods (Disaggregate data for displaced persons moving to group resettlement sites, self-relocating affected persons, affected persons with enterprises affected)	<ul style="list-style-type: none"> • Were compensation payments free of deductions for depreciation, fees, or transfer costs to the affected persons? • Were compensation payments sufficient to replace lost assets? • Was sufficient replacement land available of suitable standard? • Did income substitution allow for reestablishment of enterprises and production? • Have affected enterprises received sufficient assistance to reestablish themselves? • Have vulnerable groups been provided income-earning opportunities? • Are these opportunities effective and sustainable? • Do jobs provided restore pre-project income levels and living standards? •
4	Levels of affected persons' satisfaction	<ul style="list-style-type: none"> • How much do the affected persons know about resettlement procedures and entitlements? • Do the affected persons know their entitlements? • Do they know whether these have been met? • How do the affected persons assess the extent to which their own living standards and livelihoods have been restored? • How much do the affected persons know about grievance procedures and conflict resolution procedures? •
5	Effectiveness of resettlement planning	<ul style="list-style-type: none"> • Were the affected persons and their assets correctly enumerated? • Was the time frame and budget sufficient to meet objectives, were there institutional constraints? • Were entitlements too generous? • Were vulnerable groups identified and assisted? • How did resettlement implementers deal with unforeseen problems?

14.3 Formation of Independent Advisory Panel (for High Risk Projects)

For high risk projects, the Executing Agency should form an Independent Advisory Panel (of experts) for regular monitoring and feedback to the project. The advisory panel meets as per requirement and as per the level of risk of the project. The experts should be highly qualified and should have national as well as international experience in resettlement planning and implementation.

14.4 Reporting

For a project with resettlement impacts, the Project is required to prepare semiannual monitoring reports for submission to the executing agency and to the development partners if funded by such development partner/s. This monitoring report should include the progress in compensation payment as well as other resettlement activities. For highly complex and sensitive projects quarterly monitoring reports may be required.

14.5 Disclosure of Monitoring Reports

The Project is required to forward involuntary resettlement monitoring reports to the executing agency and to development partners (if funded by development partner) for review and posting on their respective web sites. The monitoring reports should also be disclosed on the web sites of the implementing agency. It is also required that relevant information from the monitoring reports is disclosed to the affected persons. "Relevant information" in this context refers to the implementation status of a resettlement plan, such as, information on financial progress/disbursement and physical progress (related to land and other assets acquisition and relocation); livelihood/income restoration; any information on benefits sharing; and corrective action plan, if any. These issues are of direct relevance to the affected persons, which also have the elements of participatory monitoring.

14.6 Project Evaluation and Lessons Learnt

As a good practice, the borrower conducts evaluation of overall resettlement implementation after project completion, in particular for projects with significant resettlement impacts. Evaluation is essentially a summing up of an assessment of whether those activities planned actually achieved their intended objectives. An assessment of resettlement outcomes is measured against baseline conditions. The evaluation exercise assesses resettlement efficacy, effectiveness, impact, and sustainability, drawing lessons to guide future resettlement planning. Good practice of evaluation provides gender disaggregated information and concentrates on a few key indicators, such as income levels and accessibility to social services, as well as satisfactory relocation.

Annexes

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Check list for Initial Social Assessment

Name of the Project:
 Location (Region/District/VDC):
 Number of Affected Persons (estimated):
 Type of Impact: Social and Economic

SN	Social Impacts	Yes / No / Likely/Not applicable	Please provide details where possible (Expected number of households, area of land, types of structures likely to be affected)
1	Is land acquisition necessary?		
2	Displacement of people due to loss of productive assets		
3	Loss of structures resulting in displacement		
4	People losing means of livelihood and incomes (Temp./ Permanent)		
5	Presence of squatters		
6	Is there any risk of economic marginalization of APs		
7	Basic facilities / services will be inaccessible (Temp. /Permanent)		
8	Impact on crops, trees and other fixed assets		
9	Tenants/Lesseees losing any fixed assets		
10	Loss of community assets		
11	Loss of existing social & community ties		
12	Potential loss of any cultural properties , historical sites or places of worship		

Note: Number of likely to be APs will be based on rapid assessment at this stage.
 Please provide Location Map of Project area showing project area boundary, total area, access, land use in the vicinity, features of social and cultural significance, if any etc.

Table 5.4: ENTITLEMENT MATRIX

Type of Loss	Scope	Who is entitled	Entitlement	Responsible for the Delivery of the Entitlement	Comments
A. Loss of Land					
A.1. Loss of Agricultural Land					
Loss of cultivated wetland by land owners	Land acquired for a project-related activity	Person(s) with land ownership records	Cash compensation based on replacement cost. All fees, taxes and other charges as applicable under relevant laws and regulations	NEA and CDC to compensate the owner (preferably in joint account of husband and wife, if married)	Payment will be made in full to the AP before taking possession of land.
Loss of cultivated dry land by land owners	Land acquired for a project-related activity	Person(s) with land ownership records	Cash compensation based on replacement cost of the land. All fees, taxes and other charges as applicable under the relevant laws and regulations.	NEA and CDC to compensate the owner (preferably in joint account of husband and wife, if married)	Payment will be made in full to the AP before taking possession of land.
Loss of cultivated common land	Land taken over for a project-related activity	Community or Village where the common land is located	Cash compensation based on replacement cost All fees, taxes and other charges as applicable under the relocation and resource are to be borne by the project.	NEA and CDC to compensate VDC for the affected community common land.	Payment will be made in full to the AP before taking possession of asset.
Loss of tenanted agricultural land (cultivated wetland, Dry land) by permanent tenants	Land for a project-related activity	Renter or sharecropper of the affected land	Fifty percent cash compensation to the share cropper/ tenants of the affected plots as per the prevailing laws (LA Act Clause 20). Other 50 percent to the landowner	NEA and CDC will compensate the tenants for loss of loss of tenancy.	Payment will be made in full to the AP before taking over of the possession of land.
A.2. Loss of Residential Land					

Loss of residential land by landowners	Land acquired for a project-related activity	Person(s) with land ownership records	Cash compensation based on replacement cost. All fees, taxes and other charges as applicable under the relevant laws and regulations.	NEA and CDC to compensate the owner (preferably in joint account of husband and wife, if married)	Payment will be made in full to the AP before taking over of the possession of the land.
A.3. Loss of Commercial Land (which include shops and any business establishment)					
Loss of commercial land by landowners	Additional land acquired for a project-related activity	Person(s) with land ownership records	Cash compensation based on replacement cost. All fees, taxes and other charges as applicable under the relevant laws and regulations.	NEA and CDC to compensate the owner (preferably in joint account of husband and wife, if married)	Payment will be made in full to the AP before taking over of the possession of the land.
A.4. Temporary Impacts on Land					
Temporary impacts during construction such as damage to adjacent parcel of land due to movement of machinery and plant sites for contractors	Land acquired temporarily by the project contractors	Person(s) with land ownership records or those with other user rights; subject to verification Tenants Community	Contractor to negotiate a contract agreement on a rental rate with the owner or user of the land that will be temporarily acquired. Project and the contractor to ensure that persons other than the owner affected as a result of temporary acquisition are also compensated for the temporary period. Land should be returned to the owner at the end of temporary acquisition period after fully restoring it to its original condition or improved as agreed with the AP.	Contractors to compensate for temporary acquisition of land.	Payment will be made in full to the AP before temporarily taking over of the possession of land by the contractor/NEA
B. Loss of Residential and Commercial Structures					

Loss of residential and commercial structures	Structures affected on the land either permanently acquired or temporarily acquired	Owners of the structures irrespective of ownership of land on which the structure stands	Cash compensation at replacement cost. AP shall be allowed to take salvaged material from the demolished structure at no costs. A transfer allowance for shifting household assets, in case self-relocation to cover cost of shifting on actual cost basis or at the rate of NR 35000 per household. In case of rebuilding/ rehabilitation of the structure, a disturbance allowance shall be provided to head of the affected HH at the rate of NRs. 500 per day for 180 days. Rental assistance for 180 days per house at the rate of NR 500 per day.	NEA and CDC to compensate the owner (preferably in joint account of husband and wife, if married)	Payment will be made in full to the AP before taking over of the possession of the structure.
		Tenants/Renters/ Leaseholders of residential/ commercial structure	Rental assistance equivalent to 180 days @ NR 500 per day per HH Transfer allowance to cover cost of shifting (transport plus loading / unloading) paid on actual cost basis or on current market rates. Assistance from project to locate an alternative plot for relocation.	Assistance to make alternative arrangements	NEA, CDC and supervisor will ensure payment before physical displacement
		Squatters/ informal dwellers (defined as a person who appears from no where and occupies vacant government land/structure for living space and/or livelihoods)	Cash compensation for non-land assets at replacement cost. AP shall be allowed to take salvaged material from the demolished structure at no costs. A transfer allowance for shifting household assets, in case self-relocation to cover cost of shifting on actual cost basis or at the rate of NR 35000 per household.	Restoration of residence and/or shop	NEA and CDC will ensure the payment before physical displacement

		Encroachers (defined as a person who has legal title holding to land but illegally extends his occupation onto the contiguous, vacant government land)	In case of rebuilding/ rehabilitation of the structure, a disturbance allowance of shall be provided to one member of the affected HH at the rate of NR 500 per day for 180 days. Rental assistance for 180 days per house at the rate of NR 500 per day.	NEA, CDC and supervision consultant	Encroachers who are vulnerable / below poverty line are to be assisted case-by-case considering household's income and assets.
C. Loss of Income Generating Sources and Assets					
C.1. Loss of Agricultural Crops and Trees					
Loss of agricultural crops, fruits and timber trees	Land acquired for a project-related activity	Owner of crops or trees (including encroachers, squatters, Sharecroppers, and tenants	Advance notice of 1 month to be provided to APs to harvest their crops. Cash compensation for loss of agricultural crops at current market value of mature crops (if destroyed) based on average production in last 2 years. The unit rates for the same will be determined based on wholesale market and in consultation with the Agriculture Department. Compensation for loss of fruit trees for average fruit production for 10 years to be computed at the current market value based on the whole	Cash compensation for lost crops/trees as per rates from Agriculture Department	NEA and CDC will ensure the payment before physical possession of the land.

	Downstream impacts, if any.	Loss of income earned by commercial fishing any small business activity which are even seasonal in nature	<p>sale market price. The final unit price will be determined based on wholesale price and in consultation with the Horticulture Department.</p> <p>Compensation for loss of timber trees at current market value of wood (timber or firewood, as the case may be). The unit price will be determined based on market whole sale price and in consultation with the forest department.</p> <p>Compensation for annual loss of income based on average income for last 3 years.</p>	Assistance/ Compensation for loss of income	NEA, CDC and Supervision Consultant will ensure the payment
C.2. Special Assistance for livelihood restoration					
Livelihood assistance and skill development training to the family having significant loss of property and income sources	Severely Affected Families	<p>Family having more than 10% total land holding or income affected by the project.</p> <p>Absentee landlords will not be eligible for this provision</p>	<p>Cash assistance for 90 days at the local agriculture wage rate respective district.</p> <p>One time economic rehabilitation grant of NRs 10,000.</p> <p>Each household will be provided income generating vocational training and skill improvement options as per their choice at NRs 8,000 per household. The Supervision Consultant would organize this training.</p> <p>Temporary employment in the project construction work to APs, with particular attention to APs living</p>	Income restoration assistance.	NEA, CDC and Supervision consultant. This will be a long term but time bound activity.

			below poverty line, by the project contractor as far as possible.		
Loss of businesses	Business adversely affected by the project	Owner of business	One-time lump sum grant: minimum three-month's income based on the nature of business and type of losses assessed on a case-to-case basis. One-time cash assistance equivalent to three months of average income based on the nature of businesses for re-establishing the business at an alternative premise.	Short-term compensation for loss of income	NEA, CDC and Supervision Consultant will ensure the payment before physical displacement
			Shifting allowance (transport plus load un loading charges) will be paid to affected businessmen (if applicable), on actual cost basis. The amount of deposit or advance payment paid by the business tenant to the landlord will be deducted from the payment of the landlord.	Removal or relocation assistance.	NEA, CDC and Supervision Consultant will ensure the payment before physical displacement
Loss of income of small vendors	Business affected temporarily during project construction	Non-mobile business operators on footpaths to project sites	One-time cash assistance: Minimum six months income based on the nature of business and type of losses determined on a case-to-case basis, by the CDC. Shifting allowance will be paid to the affected (if applicable), on actual cost basis.	Short-term compensation for loss of income.	NEA, CDC and Supervision Consultant ensure the payment before physical displacement

Loss of income by agricultural laborers /wage earners	Work opportunities reduced	Agriculture laborers indirectly affected by land acquisition or displacement of employer	One time financial assistance equivalent to 90 days of wage to be computed on the basis of local wage rates in the district for each category of laborers.	Short-term assistance/ compensation for loss of income.	NEA, CDC and Supervision Consultant ensure the payments are made immediately after the economic displacement.
Loss of wages by employees	Income reduced due to dislocation	Wage earning employees indirectly affected by displacement of commercial structures	One-time financial assistance to hired employees equivalent to 90 days wages to be computed on the basis of local wage rates as determined by CDC. APs who are semi-skilled and unskilled laborers will be given priority in employment opportunities in the Project's implementation work.	Short-term assistance/ compensation for loss of income.	NEA, CDC and Supervision Consultant ensure the payments before displacement
D. ADDITIONAL SUPPORT TO VULNERABLE					
Additional assistance to vulnerable groups	Household income affected as a result of project construction	Households categorized as vulnerable namely Women-headed households: disable or elderly person; ethnic/ occupational caste people; APs who live under official poverty line	Cash assistance for 90 days at the local agriculture wage rate. Special assistance of Rs 10,000 to an affected vulnerable household for restoring livelihood. Each affected vulnerable household will be provided with income generating vocational training and skill improvement options as per their choice at NRs 8,000 per household. Temporary employment in the project construction work to APs, with special attention to APs living below poverty line, by the project constructor as far as possible.	Income restoration assistance.	NEA, CDC and Supervision Consultant will ensure timely payment The Supervision Consultant would organize this training. The Supervision Consultant is responsible for this facility
E. LOSS OF COMMON PROPERTY RESOURCES					
Loss of cultural and	Common	Affected	Replacement or restoration of the	Replacement/	NEA, CDC and

community structures/ facilities	property resources such as monasteries, temples, <i>ghat</i> (cremation site) and community land and/or graveyards affected by the Project.	community/ Institution responsible for the administration of the property	affected community facilities (including temples, shrines, <i>ghat</i> , public water stand posts etc) in consultation with the affected community. Or cash compensation for restoring the affected cultural/community structures to the recognized institution/ patron/ custodian of the affected structure. Project Assistance to move the structure to a new location	restoration of structure/facility	supervision consultant
Loss of structures or any asset which belongs to VDC or village community	Land on which property stands purchased or reclaimed for Project purpose	VDC or Village groups	Cash compensation at replacement cost. VDC or village group will be allowed to take salvaged material from the demolished structure at no costs. Transfer allowance in case of self- relocation to cover cost of shifting on actual cost basis or at the rate of NRS 35000 per village.	Restoration of the structure	NEA and CDC are responsible to pay before affecting the assets
F. OTHER UNANTICIPATED IMPACTS					
Unanticipated adverse impacts due to project intervention or associated activity.					

The EAs and project implementation authorities will deal with any unanticipated impact of the project during and after project implementation, based on the spirit of the principles agreed upon in RF and this RP.

AN OUTLINE OF A RESETTLEMENT PLAN

This outline of a resettlement plan is part of the technical guidelines. A resettlement plan is required for all projects with involuntary resettlement impacts. Its level of detail and comprehensiveness is commensurate with the significance of potential involuntary resettlement impacts and risks. The substantive aspects of the outline will guide the preparation of the resettlement plans, although not necessarily in the order shown.

A. Executive Summary

This section provides a concise statement of project scope, key survey findings, entitlements and recommended actions.

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

- discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- summarizes the key effects in terms of assets acquired and displaced persons; and
- provides details of any common property resources that will be acquired.

D. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- define, identify, and enumerate the people and communities to be affected;
- describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

This section:

- identifies project stakeholders, especially primary stakeholders;

- describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
- summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
- describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

F. Grievance Redress Mechanisms

This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

G. Legal Framework

This section:

- describes national and local laws and regulations that apply to the project and
- identify gaps between local laws and ADB's policy requirements; and discuss how any gaps will be addressed.
- describes the legal and policy commitments from the executing agency for all types of displaced persons;
- outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

This section:

- defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- specifies all assistance to vulnerable groups, including women, and other special groups; and.
- outlines opportunities for affected persons to derive appropriate development benefits from the project.

I. Relocation of Housing and Settlements

This section:

- describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- provides timetables for site preparation and transfer;
- describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- outlines measures to assist displaced persons with their transfer and establishment at new sites;
- describes plans to provide civic infrastructure; and
- explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

This section:

- identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- outlines measures to provide social safety net through social insurance and/or project special funds;
- describes special measures to support vulnerable groups;
- explains gender considerations; and
- describes training programs.

K. Resettlement Budget and Financing Plan

This section:

- provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.
- describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).
- includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
- includes information about the source of funding for the resettlement plan budget.

L. Institutional Arrangements

This section:

- describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- includes institutional capacity building program, including technical assistance, if required;

- describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- describes how women's groups will be involved in resettlement planning and management,

M. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

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