Due Diligence Report

Project number: 35173-013

January 2016

NEP: Third Small Towns' Water Supply and Sanitation Sector Project – Beni, Myagdi

Prepared by the Third Small Town Water Supply and Sanitation Sector Project, Ministry of Urban Development, Government of Nepal for the Asian Development Bank.

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Government of Nepal Ministry of Urban Development

Department of Water Supply and Sewerage



Project Management Office (PMO)

Panipokhari, Maharajgunj, Kathmandu, Nepal

Enhance Functionality in Small Towns Water Supply and Sanitation Sector Project (STWSSSP)

Resettlement Due Diligence Report

For

Beni Small Towns Water Supply and Sanitation Sector Project Myagdi

Kathmandu, January 2016

Submitted by:

Joint Venture in Between



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CURRENCY EQUIVALENTS

(As of 5 Nov 2014)

Currency Unit = NPR

NPR 1.00 = \$0.00996 \$1.00 = 97.95

WEIGHTS AND MEASURES

cum – cubic meter
Km – kilometer
m² – square meter
Mm – millimeter

m³ – micrograms per cubic meter

ABBREVIATIONS

ADB - Asian Development Bank

AP – Affected persons BPL – Below poverty line

CBS - Central Bureau of Statistics

CDC – Compensation determination committee

CDO – Chief District Officer

DDC – District Development Committee
 DSC – Design and supervision consultants

DWSS - Department of Water Supply and Sewerage

EA – Executing agency GON – Government of Nepal

GRC – Grievance redress committee GRM – Grievance redress mechanism

IR – Involuntary resettlement

lps – Liters per second

MUD – Ministry of Urban Development NLSS – Nepal Living Standards Survey

PD - Project director

PMC – Project management consultant PMO – Project management office

PPTA - Project preparatory technical assistance

RF - Resettlement framework
RP - Resettlement plan
RS - Resettlement specialist
SSO - Social Safeguards Officer

SSO – Social Safeguards Officer
SPS – Safeguard Policy Statement

STWSSSP - Small Towns Water Supply and Sanitation Sector

Project

TA – Technical assistance
TDF – Town development fund
TOR – Terms of reference

WSSDO - Water Supply and Sanitation Division Office

WTP – Water treatment plant

WUSC – Water users and sanitation committeeVDC – Village Development Committee

Table of Contents

			Page	
l.	INTRO	DDUCTION		1
	A. B.	Introduction Proposed Subproject Components		1
II.	SUBP	ROJECT DESCRIPTION		1
	A.	Proposed components		1
III.	FIELD	WORK: SURVEYS AND PUBLIC CONSULTATION		2
	A. B.	Field Visit Public Consultation		4
IV.	RESE	TTLEMENT IMPACTS		2
	A.	SCOPE OF LAND REQUIREMENTS		2
V.	SOCI	D-ECONOMIC PROFILE		7
VI.	INFO	RMATION DESSIMINATION		7
VII.	GRIE	VANCE REDRESS		7
VIII.	CONC	CLUSIONS		7

I. INTRODUCTION

A. Introduction

- 1. The Small Towns Water Supply and Sanitation Sector Project (STWSSSP) is a key initiative of Government of Nepal aiming at improved water supply and sanitation services in small towns and emerging urban areas of Nepal. The Enhance Functionality in Small Towns Water Supply and Sanitation Sector Project (STWSSSP) is designed to improve the performance and efficiency of the projects constructed during the first phase STWSSSP projects. There are 29 small town subprojects constructed in this phase. The Enhance Functionality in Small Towns Water Supply and Sanitation Sector Project (STWSSSP) aims to strengthen the overall efficiency and effectiveness of service delivery with a particular focus on technical and financial aspects, at both national and local levels. Its envisaged outputs include: (i) improved water supply and sanitation infrastructure; (ii) strengthened sector policy, regulatory and institutional capacity and service delivery; and (iii) improved project implementation. The Project will also strengthen Government of Nepal's efforts to meet its millennium development goals. The project is to be implemented in 9 months.
- 2. The Enhance Functionality in Small Towns Water Supply and Sanitation Sector Project (STWSSSP) uses a sector lending modality of ADB. A total of 29 towns are proposed to be covered under the project. Preparation for the The Enhance Functionality STWSSSP is underway and the funding is secured by the ADB as well as the GON. Department of Water Supply and Sewerage (DWSS) is the implementing agency whereas the Ministry of Urban Development is the executing agency. The project will assist in implementing a part of the 15-year Development Plan for Small Towns Water Supply and Sanitation Development in the country and 29 Small Towns will be covered by this project.

B. Proposed Subproject Components

3. This land acquisition and resettlement due diligence report is prepared for the proposed Beni Small Towns Water Supply and Sanitation Sector subproject, under the The Enhance Functionality in Small Towns Water Supply and Sanitation Sector Project). The proposed service area of the water supply subproject includes Ward no. 1 & 2 of Arthunge VDC, ward no. 6 of Ghatan VDC and ward no.1 of Piple VDC (Now Municipality). The total households of the wards of selected service area are 2,368 and total population is 12,432 excluding the institutional population in 2014.

II. SUBPROJECT DESCRIPTION

A. Proposed components

4. The Beni sub-project has been conceptualized as a surface water system. The water comes from the surface source with full water treatment system. The system is operating with low efficiency because of insufficient water volume at source and lack of sufficient water storage. The transmission line is often damaged/broken by landslides, creating irregularities and insufficient supply. Therefore these problems will be solved by the proposed project.

The details of the enhancement works are given below in Table 1.

Table 1: The details of the enhancement works

S. No.	Name of structure	Existing	Additional	Total
1	No. and capacity of	3(305 cum)	1(200 cum)	4(505 cum)
	Reservoirs:			
2	Treatment Facilities	1(25 lps,	Chlorination Unit	1(25 lps)
		HRF,SSF)	(Rehabilitation)	
		Chlorination Unit		
3	Pipeline Length:			
3.1	Transmission	14.0 km	11.3 km	25.3 Km
3.2	Distribution	14 km	7.5 km	21.5 Km
3.3	Total	28.0 Km	18.8 Km	46.8 Kms
4	Chlorination Unit with lab	None	1	1
5	Office Building:	One	One(extension)	One
6	Surface Intake/	Surface Intake 3	1(surface rehab)	3
	construction			
7	Landslide stabilization		As per necessity	
	work			

- 5. The technical components are designed with close coordination with safeguard team and WUSC executive members to avoid involuntary resettlement impacts. Among the components, for construction of Intake requires 63.58 sq. m of land. The WUSC has already acquired the required area and owns 97.58 sq m of land which is sufficient to construct the structures. The permission of land and water use for constructing the intake structure is attached. The reservoir will be constructed in the existing land which is sufficient. The land ownership documents are attached.
- 6. A due diligence process was conducted for proposed project sites and alignments in line with the Resettlement Framework prepared for the Third STWSSSP and ADB SPS 2009. This report describes the findings and provides copies of relevant legal documents, resolutions, minutes of meetings and photographs. Upon project implementation, the Social Safeguards Officer at PMO will be required to undertake a review of this due diligence, prepare a confirmation letter or report documenting any modifications for the subprojects in Beni Water Users Committee and submit to ADB; and receive a 'no objection' confirmation from ADB prior to start of construction.

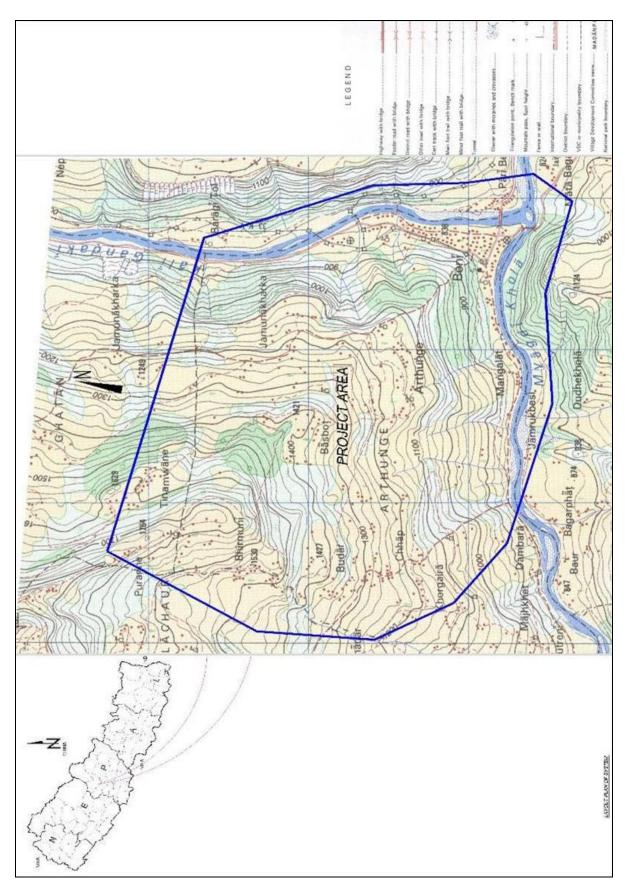


Figure 1: Map of Beni Water Supply Subproject

III. FIELD WORK: SURVEYS AND PUBLIC CONSULTATION

A. Field Visit

7. Field visit to all proposed sites (i.e. sites with existing facilities proposed for continued use/rehabilitation, as well as new intake and reservoir site), transmission main alignments, distribution pipeline alignment; and consultations with stakeholders were conducted to confirm land ownership and use, and the need for surveys and further consultations. Available land ownership documents for identified components were also collected during field work.

B. Public Consultation

- 8. Consultations were undertaken with key stakeholders in line with ADB's requirements pertaining to environment and social considerations. Tools used for consultation were stakeholder meetings and Focus Group Discussions (FGD). Key concerns of the people related to the project and inclusion of poor in the drinking water supply scheme, willingness to pay, upfront cash collection, people's participation in project implementaion were discussed.
- 9. During field visits to all proposed sites and pipeline alignments, potential impacts and mitigation measures were assessed and discussed with stakeholders. The consultations helped in identifying the felt needs/concerns and priorities of the stakeholders. The field visits/reconnaissance surveys also helped ascertain that no further surveys and inventories are required.

Table 2: Summary of consultations

	Table 2. Sulfilliary of Consultations							
Date	Location	No. of Partici pants	Participants	Topics Discussed	Issues Raised			
2071/04 /31	Water Users and Sanitatio n Committe e Office	Male = 9 Female = 1 Total = 10	WUSC executive members, project safeguard team	Upgarding the water supply system	Necessary works to improve the supply system, source and land requirement, environmental effects			
2072/6/ 6	Water Users and Sanitatio n Committe e Office	Male = 46 Female = 10 Total = 76	WUSC executive members, project safeguard team, community users	Land acquisition resettlement Environmental Impacts while implementing the proposed, "Enhance Functionality" in Small Town Water Supply and Sanitation Sector Project	Possible land for new works, Resettlement issues, environmental issues, Willingness for individual connections to water supply; Upgrading of existing reservoirs, treatment plant & water source. Water quality; Subsidy to the poor.			

IV. RESETTLEMENT IMPACTS

A. SCOPE OF LAND REQUIREMENTS

10. The sub-project components are proposed both in WUSC private land and government land. Existing facilities proposed for integration (continued use/rehabilitation

within existing premises) include the new intake site and its associated reservoirs, treatment plants and transmission lines. The new intake shall be constructed at the govern, ent owned land where the WUSC has been temporarily using the source water. The reservoir and water treatment plant (chlorination system) for the surface water system is proposed within the WUSC owned landAppendix1. The transmission pipe will be laid along the government land mostly forest area. Most of the transmission line runs in parallel with the existing transmission line and therte is no need of land acquisition. The distribution pipeline will follow road's RoW (government land) for laying. The existing water supply system in Beni Municipality will be integrated with the proposed enhancement works.

- 11. No relocation impacts or impacts on structures are anticipated at any of the identified sites or alignments for water supply improvement proposals in Beni Project. Temporary impacts of network laying and house connections are limited to potential access disruptions for shops and residences. Land ownership documents for different sites with existing facilities, and a no objection letter and minutes of meeting/resolution to provide land for water supply facilities from the land owners are annexed to this due diligence report.
- 12. About 18.8 km long distribution network is proposed along public road within rights of way. No road closures will be required during construction; contractor to undertake construction on one side of the road first and on completion of the same, start work on the other side to minimize impact on traffic. The contractor will be required to provide signal at appropriate locations indicating available alternate access routes to minimize traffic disruptions. The contractor will have to ensure access to shops and residences using simple wooden walkways where required and limit the excavation to a length of 500 m at a time to minimize disruption. Construction contracts will include the above provisions.
- 13. Provision of 21,994 house connections for the year 2030, will be made by WUSC according to the demand. They are not included in the cost estimation; therefore it will not cause any environmental or social impacts. However there will be temporary disruptions in access to residences during connection distribution process. The contractor will be required to maintain access to the public mobility if required during construction period. Table 3 provides details of land availability, ownership status at the sites where new facilities are proposed and Table 4 gives details of IR impacts of each proposed subproject component.

Table 3: Component wise Land Requirement

Ownership status	Adress	Parcel no.	Total area (sq m)	Required land (sq.m)	Comoponents	Remarks
Ownership to use the land for water supply purpose to WUSC from the government(VDC)	VDC Danda Kharka – 7		200	63.58	Intake at Rittha Khola	Provided to WUSC by government(V DC)

No additional land is required for other project structures, because they are rehabilitation works.

Table 4: Proposed sub-project components Beni Municipality Water Supply Sub-project and their involuntary resettlement impact status

Components	Area (sq.m)	Land Ownership	IR Impacts	IP Impacts	Proposed mitigation measures
Water source					
Intake					
Construction of new intake	63.58	Government land	Landslide and erosion	None	Construction of check dam, gabion and bioengineering works
		provided to WUSC	Impact on vegetation	None	Removal of vegetation
Construction of new reservoir	190	Existing land	Impact of excavation of earth	None	Proper disposal of excavated materials and use of protection measures
		to be used	Impact on landscaping and slope	None	Adequate excavation in proper way/ ownership
Protection and maintenance		Existing	Diversion of River	None	Construction of check dam and gabion
Landslide stabilization work		Existing	Landslide and erosion	None	Construction of check dam, gabion and bioengineering works
Pipe line laying		Existing	Impact on vegetation	None	Removal of vegetation
Installation of chlorination unit		Existing	Excessive use may be detrimental	None	Avoid excessive use
		Existing	Leakage through storage	None	Maintain proper storage to avoid leakage
Installation of fire hydrant		Existing	Minor impact (site specific)	None	Traffic diversion
Network rehabilitation		Existing	Traffic disturbance	None	Arrangement for traffic diversion with traffic
activities/ Additional distribution		Existing	Air pollution due to operation of power generator	None	Dust reduction and emission should be controlled
network		Existing	HHs water distribution	None	Intermitted supply

V. SOCIO-ECONOMIC PROFILE

- 14. The total population of the three affected village development committees (RaughatPiple, Ghatanand Arthurge VDCs) is 15.829, with 3.083 numbers of households.
- 15. During the time of field survey the water supply ant sanitation service area population of the project area is found to be 4.063 including rental populations. 774 household numbers. Of the total population 50.6 percent are male with the average family size of 5.2. Among the three VDCs covered by the project Arthunge (i.e. proper Beni) occupies the highest number of population (88.2%) followed by Ghatan (10.3%) and RaughatPiple (1.5%) respectively, The ratio of male population is slightly higher (50.55) compared to that of female (49.45%).
- 16. The district literacy rate in Myagdi is 43% and the average literacy rate in the project affected VDCs is found to be 55.74%. in contrary to the priest affected VDCs and district average literacy rate. Project service area literacy rate is higher. From the field survey it is revealed that about 66 percent population of the project service area Illiterate.
- 17. The total number of higher secondary. Secondary, Lower secondary and primary schools in project affected VDCs are found to be 22 numbers. Out of which most of the schools are located in the project service area.

VI. INFORMATION DESSIMINATION

18. The DDR is publicly available in Water Users and Sanitation Committee office, District Water Supply and Sanitation Division Office, Project Management and Implementation Support Team, Project Implementation Unit. Further, the DDR is translated in local i.e. Nepali language and made available in WUSC and project regional/district office. The report is also made available to any requester including PAF and related stakeholder.

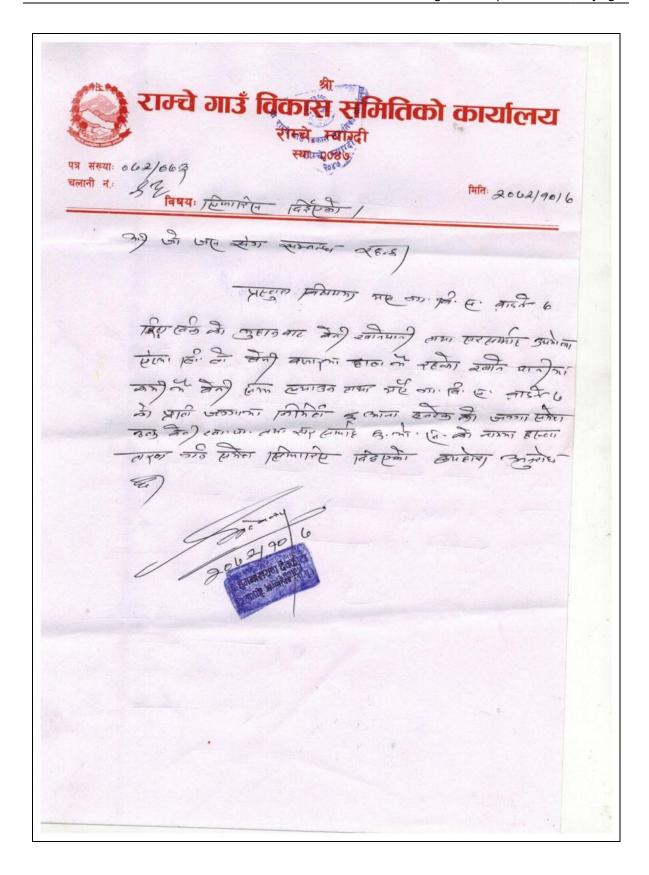
VII. GRIEVANCE REDRESS

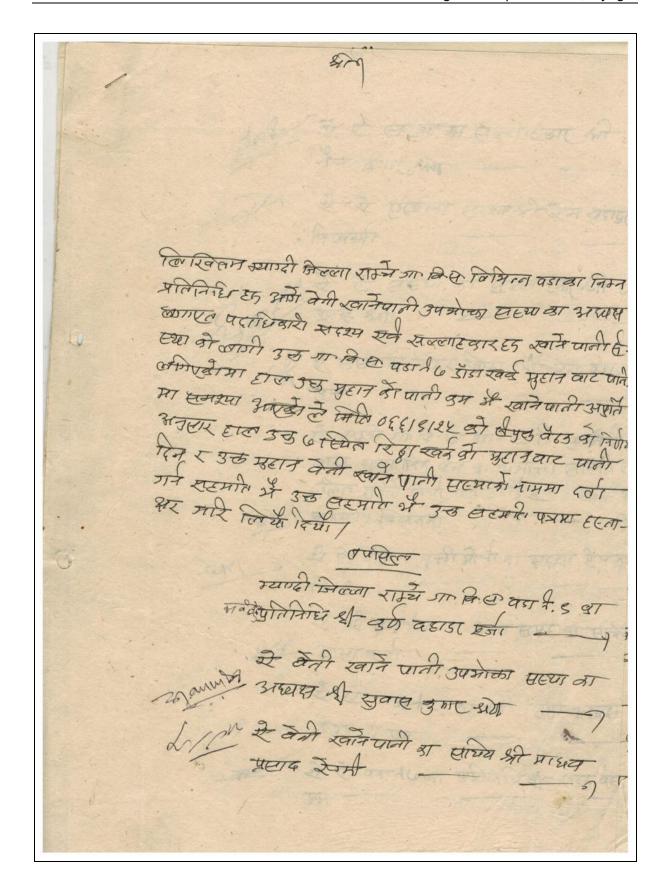
19. The WUSC assigns one executive member as focal person to handle grievances of the Project Affected Persons (PAF) who are not satisfied with the procedure of the preparation of DDR and project implementation. The deputed member with representative of supervision consultant and contractor will settle the grievances. The WUSC in facilitation of project staffs will check the level of follow-up on these grievances and share observations. If the AP is not satisfied by the resolution the team, it will forward to executive committee of WUSC. The WUSC committee will ensure the grievances are addressed and AP is satisfied. Again if AP is not satisfied the resolution made by WUSC executive committee, it will forwarded chief district officer.

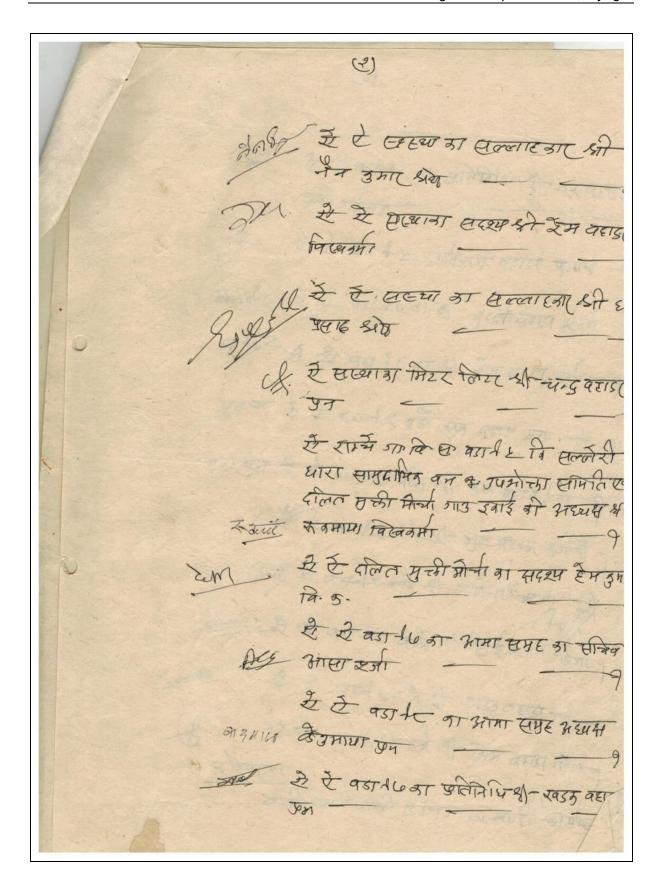
VIII. CONCLUSIONS

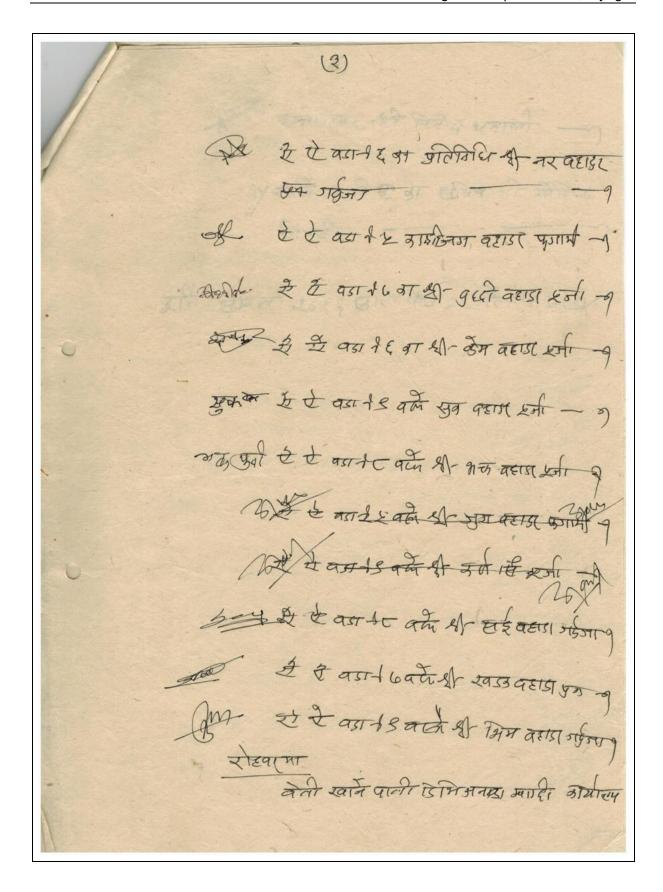
20. The subproject has insignificance impact on land and livelihood of PAF. It doesn't require dislocating any private and public structures. The land donation doesn't have significant impact in livelihood of PAF but the water fetching time is reduced. The land is required for the construction of new Intake site at Rittha Khola but the required land is already owned by the WUSC. That is to say that the structures will be built in the existing land. Therefore compensation cost is not required for the implementation of this sub project. It doesn't require dislocating any private and public structures and hence falls under the B category of ADB guidelines and this DDR is prepared.

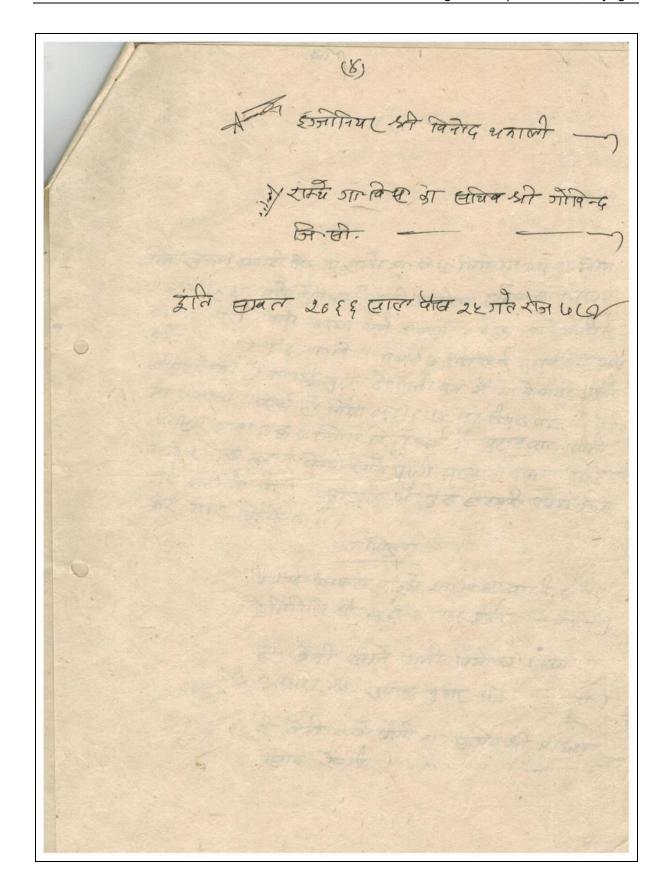
Appendix I: Land Ownership Certificate











Appendix II: IR & IP Screening Checklist

INVOLUNTARY RESETTLEMENT AND INDIGENOUS PEOPLE SCREENING CHECKLISTS

A. Introduction

1. Each project/subproject/component needs to be screen for any involuntary resettlement impacts and indigenous people impacts which will occur or already occurred. This screening determines the necessary action to be done by the project team.

D	1	:	: 4
В.	information or	nroject/silinni	oject/component:
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a.	District/ Administrative Name:	Myagdi

b. Location (km): Beni Municipality

c. Civil work dates (proposed): February 15, 2016 to November 15, 2016

d. Technical Description: It is an enhancement project and only rehabilitation type of works will be carried out. New works include Intake, Reservoir, and Chlorination Room. The WTP, office building pipeline and other facilities will be rehabilitated.

Country	Nepal	
Subproject Name	Beni Small Town Water Supply and Sanitati	on Project

- C. Screening Questions for Involuntary Resettlement Impact
 - I. Involuntary Resettlement Impact Checklist

	A. Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
In	voluntary Acquisition of Land				
1.	Will the project include any physical construction work?	√			Intake at Rittha khola
2.	Does the proposed activity include upgrading or rehabilitation of existing physical facilities?	√			
3.	Will there be land acquisition?	√			About 2 Ana (63.58sq.m.) of land is required for Intake at Ritthhakhola. There will be no other land acquisition because the land possessed by WUSC can be used for the construction of Office Building, RVT, Chlorination room etc.

4.	Is the site for land acquisition known?	1		
5.	Is the ownership status and current usage of land tobe acquired known?	√		Non-agricultural public land
6.	Will easement be utilized within an existing Right of Way (ROW)?	V		The pipe laying will be carried out along the right of way as far as possible in order to avoid the private land loss and to minimize the other possible adverse impacts.
7.	Will there be loss of shelter and residential land due to land acquisition?		1	
8.	Will there be loss of agricultural and other productive assets due to land acquisition?		√	The acquired/obtained land is non agricultural land
9.	Will there be losses of crops, trees, and fixed assets due to land acquisition?		1	
10.	Will there be loss of businesses or enterprises due to land acquisition?		1	
11.	Will there be loss of income sources and means of livelihoods due to land acquisition?		1	
Inv	oluntary restrictions on land use or on access to	legally d	esigna	ted parks and protected areas
12.	Will people lose access to natural resources, communal facilities and services?		√	There is no any designated park and protected area in or near to the project.
13.	If land use is changed, will it have an adverse impact on social and economic activities?		1	
14.	Will access to land andresources owned communally or by the state be restricted?		1	
Inf	ormation on Displaced Persons:	V). (0	XVII.	*
	y estimate of the likely number of persons that w	ill be dis	olaced	by the Subproject? [√] No [
	Are any of them poor, female-heads of household	s, or vulr	erable	to poverty risks? [√] No [] Yes
	Are any displaced persons from indigenous or et groups?	thnic min	ority	[√] No [] Yes

2. Indigenous Peoples Impact Screening Checklist

	KEY CONCERNS Please provide elaborationson the Remarks column)	YES	NO	NOT KNOWN	Remarks
Ind	igenous Peoples Identification				
1.	Are there socio-cultural groups present in or use the subproject area who may be considered as "tribes" (hill tribes, schedules tribes, tribal peoples), z"minorities" (ethnic or national minorities), or "indigenous communities" in the subproject area?				The service area of the subproject is heterogeneous in terms of ethnicity/caste & culture, and no specific territory of indigenous people or socio-cultural groups has been observed. Most indigenous people in subproject areas are economically and politically integrated into the mainstream society, and considering the nature and scale of the subproject, impacts on indigenous peoples are insignificant.
2.	Are there national or local laws or policies as well as anthropological researches/studies that consider these groups present in or using the subproject area as belonging to "ethnic minorities", scheduled tribes, tribal peoples, national minorities, or cultural communities?		1		J
3.	Do such groups self-identify as being part of a distinct social and cultural group?		V		
4.	Do such groups maintain collective attachments to distinct habitats or ancestral territories and/or to the natural resources in these habitats and territories?		V		
5.	Do such groups maintain cultural, economic, social, and political institutions distinct from the dominant society and culture?		V		
6.	Do such groups speak a distinct language or dialect?	V			The ethnic groups in the service area speak their own distinct language among their members, but Nepali is spoken as common language.
7.	Has such groups been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against?	1			Dalits and Janajati groups have been historically, socially and economically marginalized, disempowered, excluded, and/or discriminated against to some extent.
8.	Are such groups represented as "Indigenous Peoples" or as "ethnic minorities" or "scheduled tribes" or "tribal populations" in any formal decision-making bodies at the national or local levels?	V			

B. Identification of Potential Impacts

	Identification of Potential Impacts KEY CONCERNS	YES	NO	NOT	Remarks
(1	Please provide elaborationson the Remarks column)	IES	NO	KNOWN	
9.	Will the subproject directly or indirectly benefit or target Indigenous Peoples?	1			The subproject directly benefits the Indigenous/Janajati because all the beneficiaries will get water supply service irrespective oftheir ethnicity/caste and economic status.
10.	Will the subproject directly or indirectly affect Indigenous Peoples' traditional socio-cultural and belief practices? (e.g. child-rearing, health, education, arts, and governance)		√		
	Will the subproject affect the livelihood systems of Indigenous Peoples? (e.g., food production system, natural resource management, crafts and trade, employment status)		√		
	Will the subproject be in an area (land or territory) occupied, owned, or used by Indigenous Peoples, and/or claimed as ancestral domain?		√		
	dentification of Special Requirements the subproject activities include				
13.	Commercial development of the cultural resources and knowledge of Indigenous Peoples?		V		
14.	Physical displacement from traditional or customary lands?		1		
15.	Commercial development of natural resources (such as minerals, hydrocarbons, forests, water, hunting or fishing grounds) within customary lands under use that would impact the livelihoods or the cualtural, ceremonial, spiritual uses that define the identity and community of Indigenous Peoples?		V		
16.	territories that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?		√ 		
17.	Acquisition of lands that are traditionally owned or customarily used, occupied or claimed by indigenous peoples?		√		

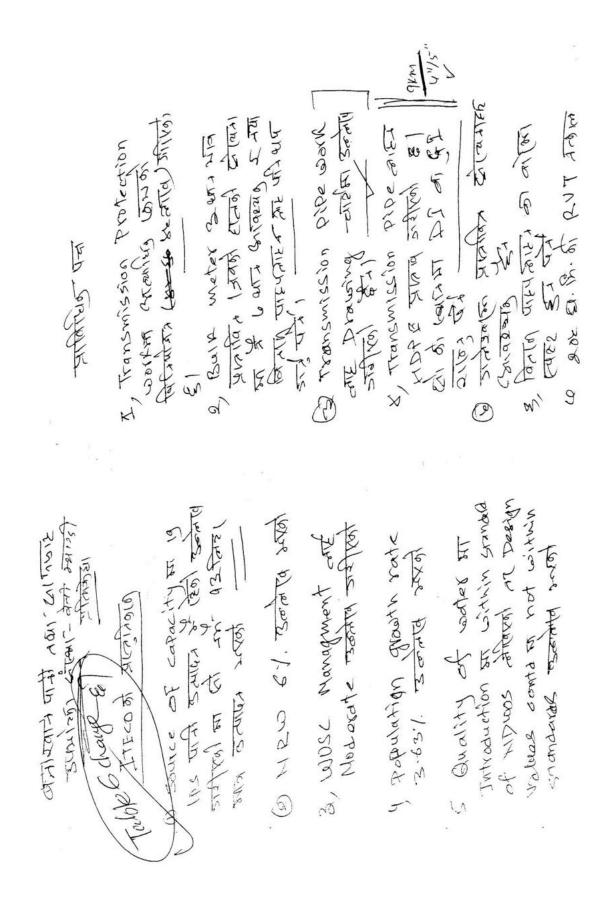
D. Anticipated subproject impacts on Indigenous Peoples

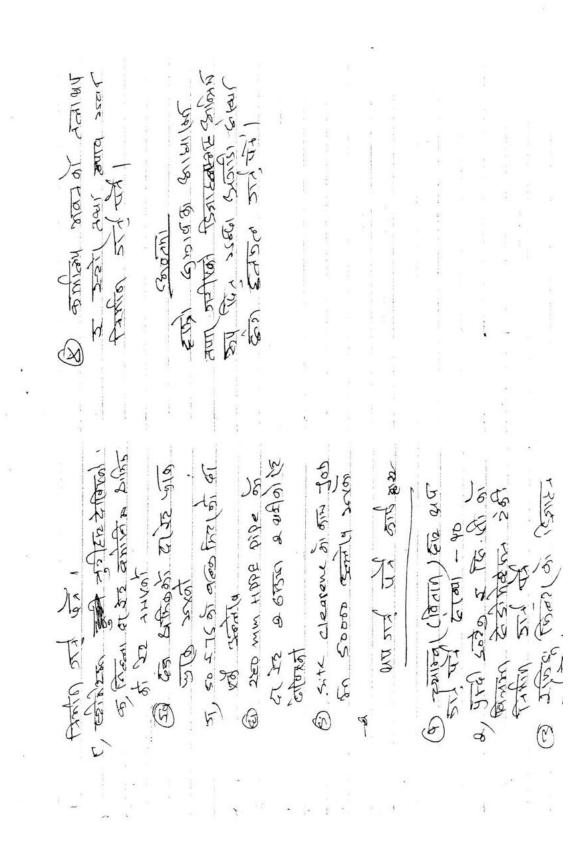
Subproject component/ activity/ output	Anticipated positive effect	Anticipated negative effect
Civil Works (Office Building, Intake, RVT, Chlorination room etc. etc.)	Regular water supply through efficient water supply system	None
Pipeline Works (Excavation, pipe laying and backfilling)	Regular water supply through improved distribution network.	None

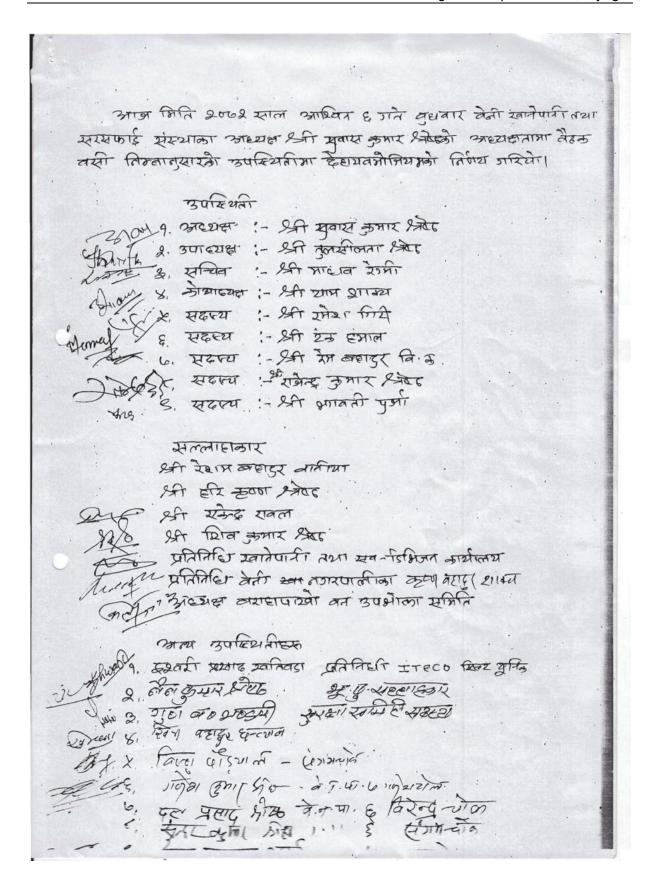
Appendix III: Minutes of Meeting

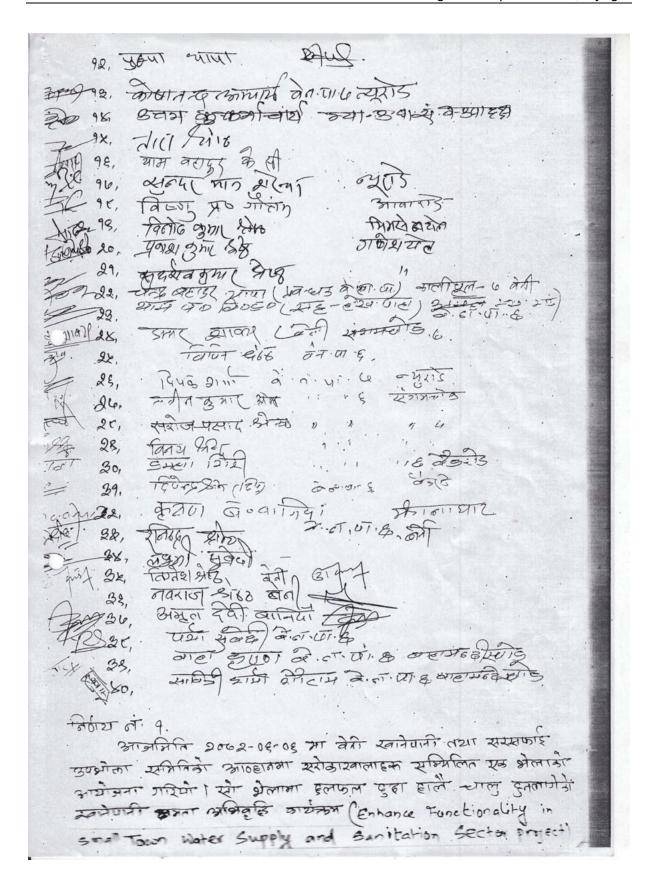
English Translation of Minute of Meeting - Phase II

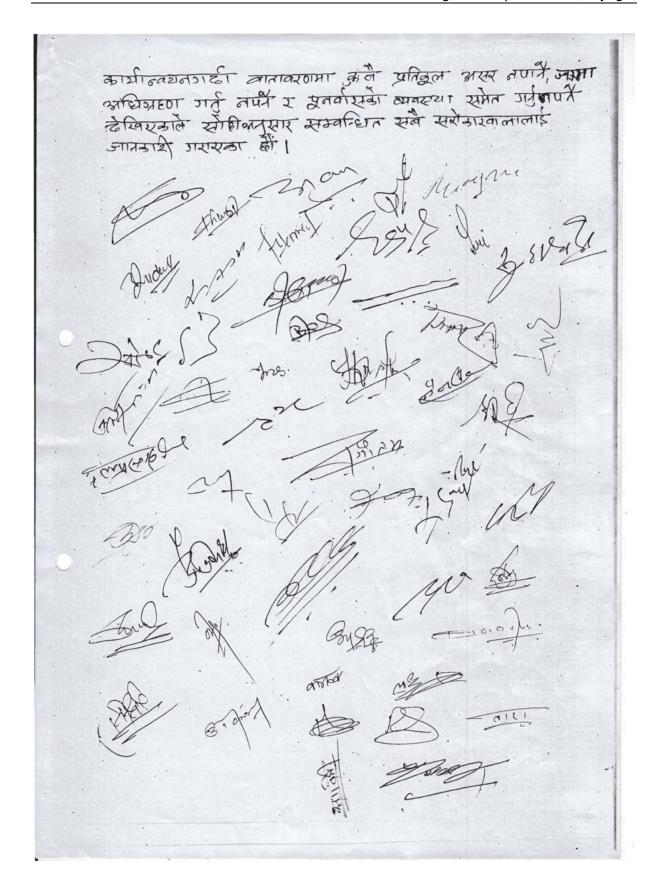
Beni Small Town Water Supply Sanitation and User's Committee organized a public hearing workshop on 2072/6/6. Participation was made from all concerned stakeholders. After discussion in the public hearing it was observed that there will be no negative impacts on the environment, no necessity of land acquisition and no need of resettlement while implementing the proposed "Enhance Functionality" in Small Town Water Supply and Sanitation Sector Project. As such it was decided to inform this conclusion to the concerned authorities.











Appendix IV: Photographs



Photo No. 1



Photo No. 2



Photo No. 3



Photo No. 4



Photo No. 5



Photo No. 6