

Resettlement Planning Document

Resettlement Framework
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Nepal: Third Small Towns Water Supply and Sanitation Sector Project

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CURRENCY EQUIVALENTS

(as of 9 February 2014)

Currency Unit	=	NPR
NPR 1.00	=	\$0.00996
\$1.00	=	97.886

ABBREVIATIONS

ADB	–	Asian Development Bank
AP	–	Affected Persons
BS	–	Bikram Sambat (Nepali Calendar)
BPL	–	Below Poverty Line
CBS	–	Central Bureau of Statistics
CBO	–	Community Based Organization
CDC	–	Compensation Determination Committee
CDO	–	Chief District Officer
CPR	–	Common Property Resource
DDC	–	District Development Committee
DOR	–	Department of Roads
DP	–	Displaced Person(S)
DRTAC	–	Design Review and Technical Audit Consultants
DSMC	–	Design, Supervision and Management Consultants
DWSS	–	Department of Water Supply and Sewerage
EA	–	Executing Agency
EMP	–	Environmental Management Plan
GON	–	Government of Nepal
GESI	–	Gender Equity and Social Inclusion
GRC	–	Grievance Redress Committee
GRM	–	Grievance Redress Mechanism
HA	–	Hectares
HH	–	Households
IA	–	Implementing Agency
IP	–	Indigenous Peoples
IR	–	Involuntary Resettlement
LA	–	Land Acquisition
LAA	–	Land Acquisition Act
LRO	–	Land Revenue Office
MUD	–	Ministry of Urban Development
MPPW	–	Ministry of Physical Planning And Works
NA	–	Not Available
NGO	–	Non-Government Organization
NLSS	–	Nepal Living Standards Survey
NPC	–	National Planning Commission
NPR	–	Nepalese Rupee
NWSC	–	Nepal Water Supply Corporation
PD	–	Project Director
PH	–	Physically Handicapped
PISC	–	Project Implementation Support Unit
PMC	–	Project Management Consultant

PMO	–	Project Management Office
PPTA	–	Project Preparatory Technical Assistance
RF	–	Resettlement Framework
RP	–	Resettlement Plan
R&R	–	Resettlement And Rehabilitation
RS	–	Resettlement Specialist
SSO	–	Social Safeguards Officer
SDSA	–	Social Development And Safeguards Assistant
SPS	–	Safeguard Policy Statement
SSE	–	Social Safeguard Expert
STWSSSP	–	Small Towns Water Supply And Sanitation Sector Project
TA	–	Technical Assistance
TOR	–	Terms of Reference
WHH	–	Women Headed Households
WSSDO	–	Water Supply and Sanitation Division Office
WUSC	–	Water Users and Sanitation Committee
VDC	–	Village Development Committee

WEIGHTS AND MEASURES

km	–	Kilometer
m ²	–	square meter
mm	–	Millimeter
µg/m ³	–	micrograms per cubic meter

NOTES{S}

In this report “\$” refers to US dollars.
“NPR” refers to Nepali Rupee.

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GLOSSARY OF NEPALI TERMS

<i>ropani</i>	- Size of land parcel; 1 ropani= 16 anna (0.0509 ha)-508.72 sq. m
<i>Anna</i>	Size of land parcel; 1 anna= 16 anna (0.0509 ha)
<i>paisa</i>	Size of land parcel; 1 paisa= 31.80 sq.m
<i>Dam</i>	Size of land parcel; 1 dam=1.99 sq.m
<i>bigha</i>	- size of land parcel; 1 bigha = 20 katha (0.678 ha)
<i>Crore</i>	- 10 million (= 100 lakh)
<i>Dhur</i>	- size of land parcel; 1 dhur=0.0017 ha
<i>katha</i>	- size of land parcel; 1 katha = 0.0339 ha
<i>kucchi</i>	- temporary structure e.g a rural hut made of wood, bamboo or stone with mud mortar and a thatched roof
<i>lakh, lac</i>	- 100,000
<i>pakki</i>	- structure (house/building) with permanent roofing made of RCC/RBC
<i>ropani</i>	- size of land parcel; 1 ropani =0.0509 ha
<i>semi-pakki</i>	- house or building made of stone with mud mortar and clay, timber, slate or corrugated iron roofing

GLOSSARY OF TERMS

Land Acquisition means the process whereby land and properties are acquired for the purpose of the project construction.

Baseline Socio-economic Sample Survey The purpose of the baseline socioeconomic sample survey is to establish monitoring and evaluation parameters, it will be used as a benchmark for monitoring the socio-economic status of project affected people. The survey will cover 10% of affected people and 20% of vulnerable (severely affected) people. The survey will also collect gender-disaggregated data to address gender issues in resettlement. The survey will carry out the following: (i) preparation of accurate maps of the sub-project area; and (ii) analysis of social structures and income resources of the population.

Census The purpose of the census is to register and document the status of potentially affected persons within the sub-project impact area. The census will cover 100% of APs. The census will provide a demographic overview of the population, and will cover people's assets and main sources of livelihood.

Compensation means payment in cash or in kind of the replacement value of the acquired property.

Displaced Persons (DPs) means those who are physically displaced (relocation, loss of residential land, or loss of shelter) and / or economically displaced (economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of involuntary acquisition of land.

Economic Displacement means those who loss land, assets, access to assets, income sources, or means of livelihoods as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use.

Compensation Determination Committee (CDC) means the committee established under the chair of Chief District Officer as per Land Acquisition Act 2034 (1977) for the determination of amount of compensation.

Grievances Resolution Committee (GRC) means the committee established under each sub-project to resolve the local grievances.

Severely Displaced Person means those DPs who lose 10 percent or more of their total productive assets or physically displaced from their household.

Replacement Cost means the method of valuing assets to replace the loss at market value before the project or dispossession, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration, and titling costs.

Resettlement means all the measures taken to mitigate all or any adverse impacts of the project on the DPs property and/or livelihoods including compensation, relocation (where relevant), and rehabilitation.

Relocation means the physical relocation of DPs from their pre-project place of residence.

Rehabilitation means the measures provided under the resettlement plan other than payment of the compensation of acquired property.

Vulnerable Groups: Social categories whose livelihoods may be particularly vulnerable to disturbances created by the project. This means any people who might suffer disproportionately or face the risk of being marginalized from the effects of resettlement including: female-headed households without economic support, marginalized ethnic groups (*Dalits, Freed Kamaiya*), Muslims/religious minorities, elderly, disabled, indigenous people (marginalized and endangered IPs), Poor (living below poverty line—NPR 19,262 person/year (source: Nepal Living Standards Survey 2010/2011)) i.e. an inflation-adjusted figure of NPR 23,307 per person per annum in 2014, landless or households losing 100% of total landholdings (particularly those totally dependent on agriculture for livelihood), as well as remote villages.

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I. PROJECT DESCRIPTION

A. Background

1. ADB-assisted Small Towns Water Supply and Sanitation Sector Project (STWSSSP) aimed at improved water supply and sanitation services in small towns in Nepal. The first STWSSSP commenced in 2001 and was completed in 2009. It provided water supply and sanitation improvement in 29 towns.

2. The second STWSSP project introduced output based aid (OBA) to assist low-income households obtain water and sanitation connections. It has 21 subprojects under construction from the second project.

3. The third Small Towns Water Supply and Sanitation Sector Project (third STWSSSP) aims to continue to improve water supply and sanitation provision in small towns and emerging urban areas of Nepal. The third STWSSSP builds upon lessons learnt from implementation of the first and second STWSSP and aims to extend improved water supplies and sanitation to around 26 small towns / subprojects. Remedial or extension works in 5 existing subprojects previously covered by the first STWSSP will also be included in the project. The third STWSSSP aims to strengthen the overall effectiveness of project 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 5 years from 2015 to 2020.

4. The third STWSSSP uses a sector lending modality of ADB. Charali, Chandrauta and Mahendranagar towns are selected as sample towns for the preparation of safeguards documents during project preparation. A total of 26 towns are proposed to be covered under the project.

5. The scope of land acquisition and resettlement is assessed for the sample towns subprojects and the type of safeguards documents required assessed. Subproject components (civil works) proposed for water supply in the three sample towns under the third STWSSSP include construction of new facilities such as ground reservoirs, overhead tanks, water treatment units, office buildings, operator/guard houses, borewells, transmission mains, distribution pipelines, valve chambers, fire hydrants, household connections and electrical works. In Chandrauta alone, rehabilitation of existing water supply facilities (deep tubewell and overhead tank) is also proposed, apart from new facilities. Under sanitation, private toilets under Output Based Aid (OBA) in all sample towns, public toilets in Charali and Chandrauta, and septage disposal facilities in all sample towns are proposed.

6. All the land required for major construction works for water supply and sanitation in the sample towns is owned by the respective WUSCs or government. There are no people living on these sites, so relocation is not anticipated. In Mahendranagar, livelihood/income loss for a non-titled, female-headed household presently cultivating the land belonging to Devasthan temple for proposed water supply facilities (WTP, OHT, borewell, offices etc.) to supplement their income is anticipated. Restriction of potential future use of the temple land by the user community is also possible in Mahendranagar. In Charali, agricultural labourers (different persons employed as and when required) working on donated/purchased land will not lose livelihood as they can continue to work on remaining adjacent lands owned by the donor/sellers. In Charali and

Chandrauta, no IR impacts are assessed at identified sites for sub-project components, as the sites belong to WUSC / government and adequate vacant land is available within the premises. For linear components or those proposed along government road RoWs, only temporary impacts that can be easily managed and mitigated are assessed. Hence, preparation of resettlement plans (RP) for Charali and Chandrauta is not deemed necessary.

7. Based on the study of sample towns, the third STWSSP is not anticipated to involve any significant resettlement impacts at this stage and is classified as Category B. A resettlement plan is prepared for Mahendranagar and due diligence reports prepared for Charali and Chandrauta. Figures 1, 2 and 3 showing proposed facility locations in the sample towns on satellite images coupled with transect walks and consultations, helped confirm the IR impacts; similar mapping and analysis will need to be undertaken and IR categorisation confirmed following finalisation of new towns, and land requirements for proposed facilities and finalisation of alignments in each of those towns.

Figure 1: Proposed water supply and sanitation facilities in sample town, Charali

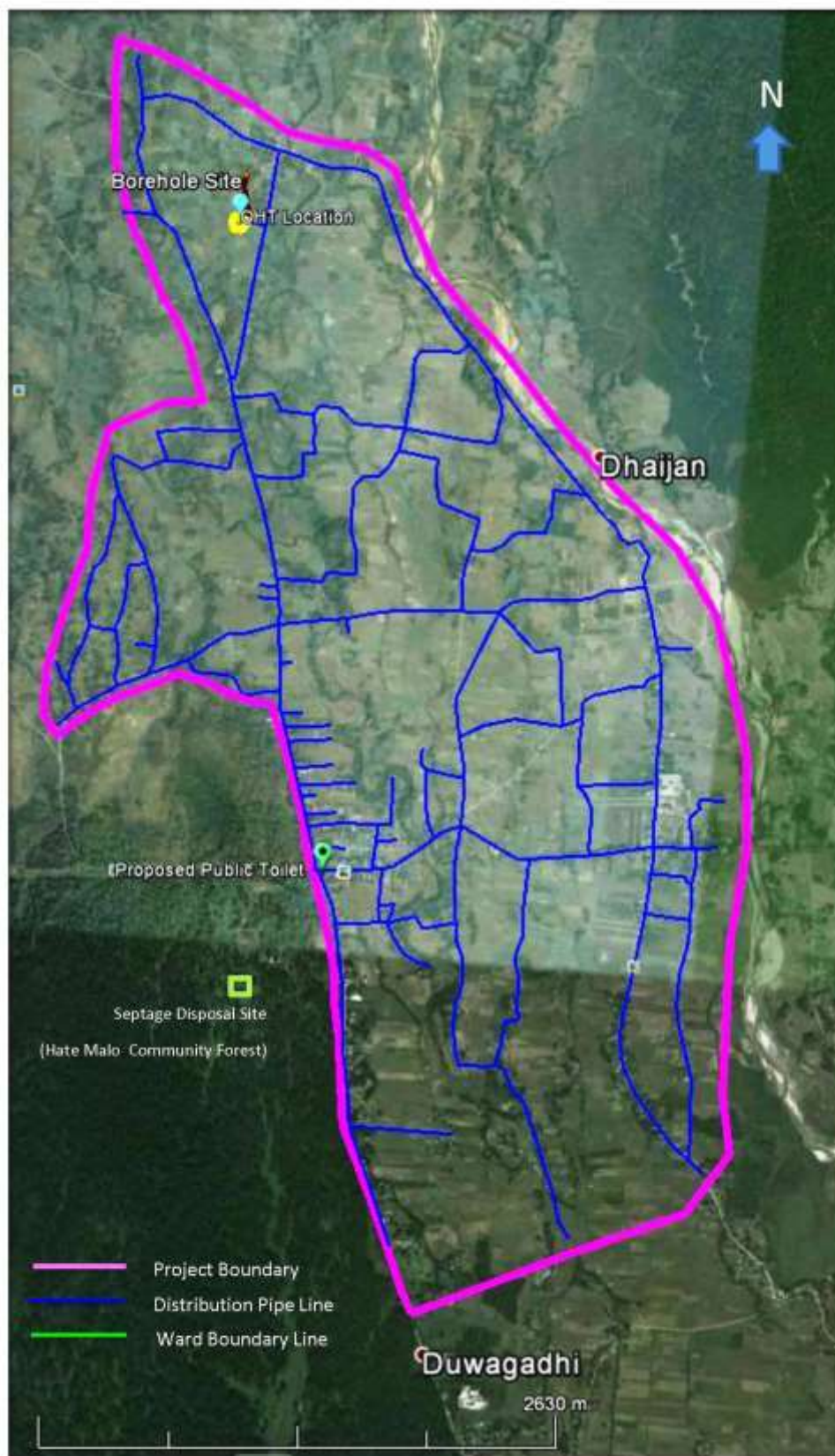


Figure 2: Proposed water supply and sanitation facilities in sample town, Chandrauta

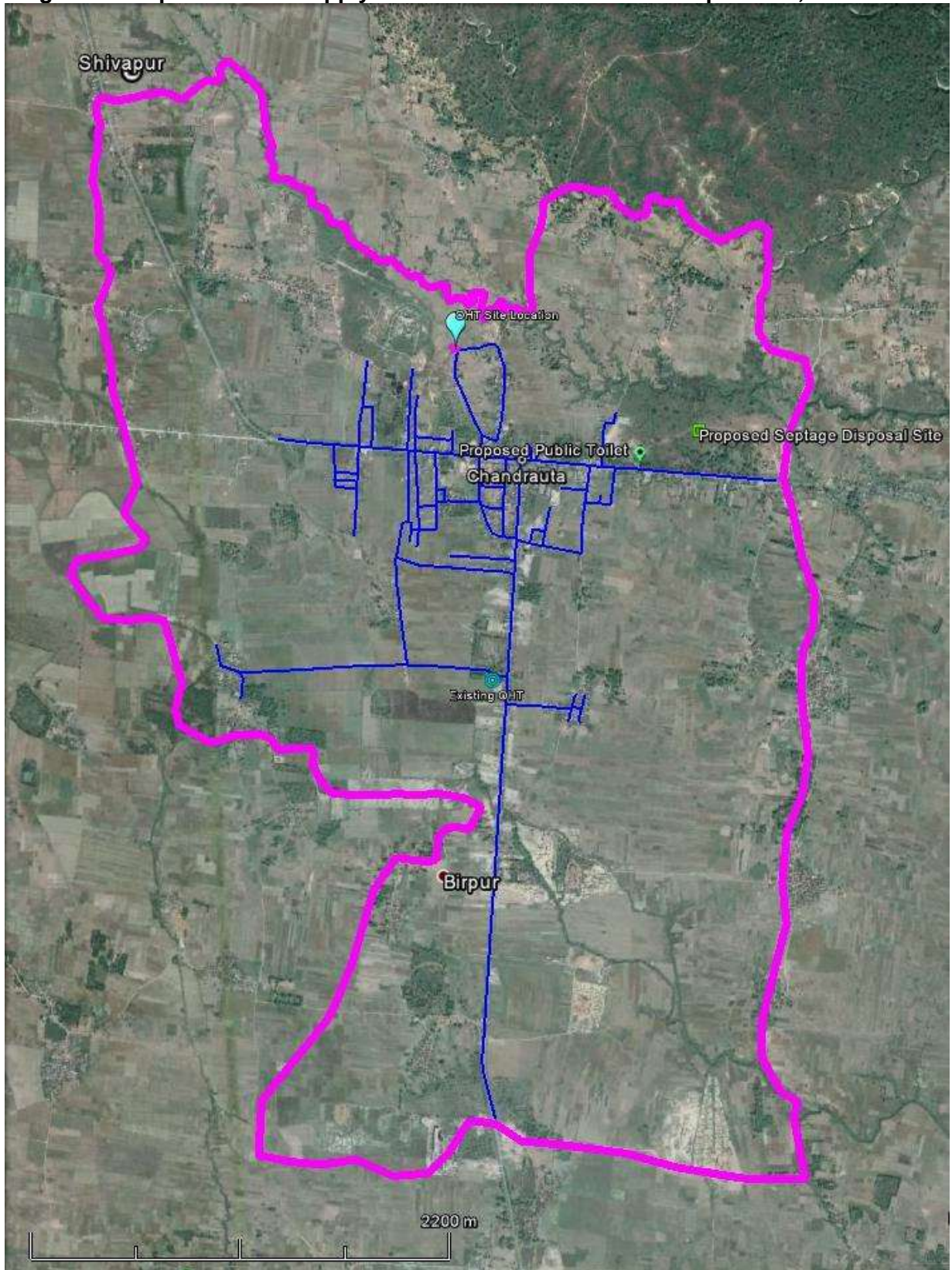
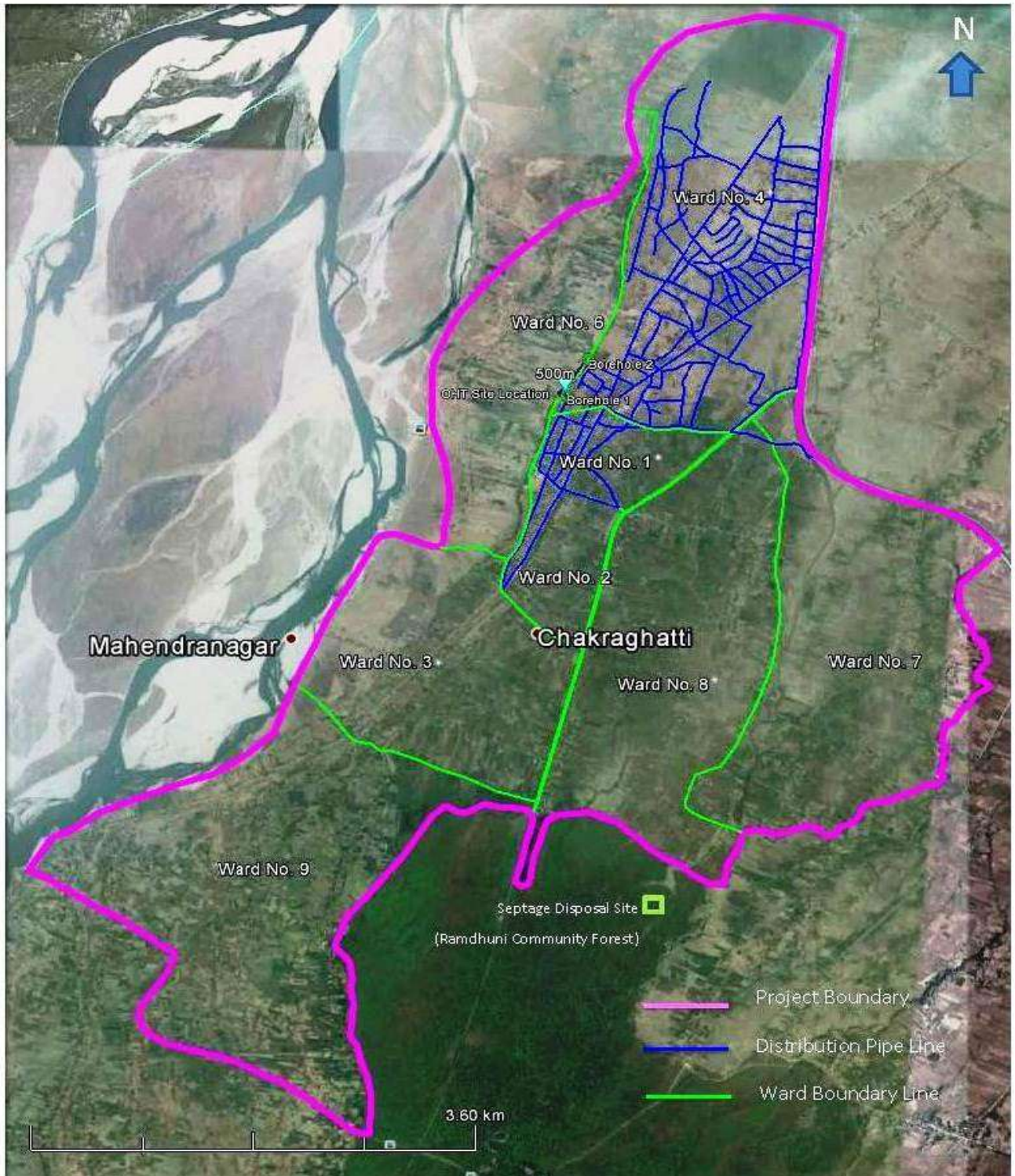


Figure 3: Proposed water supply and sanitation facilities in sample town, Mahendranagar



II. OBJECTIVES, POLICY FRAMEWORK AND ENTITLEMENT

A. Objectives

8. This Resettlement Framework (RF) is prepared to provide guidance to the DWSS, participating WUSCs and project consultants who will be carrying out the investment project and will need to follow ADB's safeguard policy when preparing, assessing and planning land acquisition and resettlement related aspects of subprojects during project implementation period or other project activities identified after project approval and in the event of unanticipated involuntary resettlement impact during project implementation. Where involuntary land acquisition and resettlement is not involved and land donation or negotiated land purchase will be adopted this RF provides steps to be taken in order to comply with ADB's SPS, 2009 requirement.

9. ADB SPS (2009)¹ does not apply to negotiated settlements where both the acquiring agency and the affected people agree to a fair price for land and other assets, unless expropriation would result upon failure of negotiations. This RF provides steps that need to be followed when negotiated land acquisition is used by the WUSC clients to acquire land for project activities.

10. This RF applies to all APs with land status affected permanently or temporarily due to any project activities, including purchase and temporary use during construction. It also applies to people whose use of state land, whether sanctioned or not, changes as a result of the investment. The RF does not apply to government land transferred from one authority to another or used for reconstruction, unless third parties are adversely affected by the transfer or use.

B. Policy Framework : Land acquisition and resettlement

11. This framework is prepared based on applicable legal frameworks of the government and ADB's Safeguards Policy Statement (SPS), (2009). In case of any discrepancy between the policies of ADB and the government, ADB policy will prevail.

12. The three important elements of ADB's SPS are (i) compensation to replace lost assets, livelihood, and income (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. In addition, the absence of legal title to land should not be a bar to compensation.

13. **Government of Nepal Laws for land acquisition:** There is no national resettlement policy in Nepal to deal with involuntary resettlement issues. However, there are many acts, rules and regulations governing land acquisition and involuntary resettlement. The interim constitution of Nepal, land acquisition act, land reform act, land revenue act, road act and guthi sansthan act are the major acts relevant to land acquisition and compensation.

14. **The Interim Constitution of Nepal (2007)**, Article 19 (I) guarantees the fundamental right of a citizen to acquire, own, sell and dispose of property. Article 19 (II) describes that the state cannot acquire the property of any person except in case of public interest. Article 19 (III)

¹ See, ADB SPS (2009), Appendix 2, paragraph 25.

also states that compensation shall be provided for any loss of individual property for public interest.

15. **The Land Reform Act (1964)** is also relevant. As per the Act, a landowner may not be compensated for more land than he is entitled to under the law. This Act also establishes the tiller's right on the land which he is tilling. The land reform act additionally specifies the compensation entitlements of registered tenants on land sold by the owner or acquired for the development purposes. The Act amendment most recently in 2001 has established a rule that when state acquires land under tenancy, the tenant and the landlord will each be entitled to 50% of the total compensation amount. Tenants are verified through a record of tenancy at the Land Revenue Office.

16. **The Land Revenue Act (1977)** is also applicable, as the land acquisition involves change of ownership of land. Article 8 of the Act states that registration, change in ownership, termination of ownership right and maintenance of land records are done by Land Revenue Office (LRO). Similarly Article 16 says, if land revenue is not paid by the concerned owner for long period of time, the revenue can be collected through auction of the parcel of the land for which revenue has been due

17. **The Malpot Aien or Land Revenue (land administration and revenue) Act, 2034 (1977)** This is the main Act to carry out land administration including maintenance and updating records, collection of land revenue and settlement of the disputes after completion of survey and handing over of the records to LRO by the Survey Parties. It authorizes the LRO to registration, ownership transfer and deed transfer of land. This Act also authorizes the LRO to transfer ownership and deeds of individual land, if any person applied for the ownership transfer of his/or land with mutual understanding for public use with recommendation of relevant committee.

18. Land acquisition must also comply with the provisions set out in the **Guthi Corporation Act 1976**. The Section 42 of the Act states that Guthi (religious/trust) land acquired for a development must be replaced with other land.

19. **Land Acquisition Act, 1977 (BS 2034)**: The LAA, 1977 and its amendment in 1993 is the core legal document to guide tasks related to land acquisition in Nepal. The LAA specifies procedures for land acquisition and compensation.

- (a) The Act empowers Government of Nepal (GoN) to acquire any land, on the payment of compensation, for public purposes and works.
- (b) The acquisition and compensation of privately-owned assets are undertaken according to a formal procedure, consisting of (a) initial procedures, (b) a preliminary investigation process, (c) acquisition notification, (d) compensation notification, and (e) appeal procedures.
- (c) Compensation Determination Committees are established (at district level) to ascertain compensation rates for land and other assets.
- (d) Compensation must be paid (a) for damages caused as a result of investigations during the preliminary investigation process, and (b) for land and assets permanently acquired by the project (including, standing crops, trees and houses).
- (e) Compensation must be in cash (lump sum), although titleholders who have lost all of their landholdings may be given replacement land, if available.
- (f) Titleholders are required to submit compensation claims or complaints within a specified period after the land acquisition notice had been issued by the Local

Authority (Chief District Officer). There is provision for a Compensation Determination Committee (CDC) under the chairmanship of Chief District officer to fix the rate of compensation for the affected property. The other members in the committee are the Chief of Land Revenue Office, representative from District Development Committee (DDC), concerned Project Director/Manager. The committee can also invite representatives of the affected persons, and representatives from affected VDC/municipality.

20. **Clause 27 of the LAA** provides for land acquisition through negotiation / mutual agreement with the plot owners, where the process of land acquisition as per 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. Where Clause 27 is enacted, and the plot owner is not satisfied with the compensation agreement offered, Clause 18 (sub-clause 2) states that the owner can file a complaint with the Ministry of Home.

21. **Local Self-Governance Act, 1999:** The Clause 258 in the Part – 5, General Provisions relating to Local Body Chapter – 3, Miscellaneous has provision for land acquisition. The Clause states that in case a local body has to acquire land to carry out any development and construction works within its area, it may acquire the land required for that work by following the requirements of the prevailing law and providing compensation to the concerned land-owner for the land.

22. **Forest Act, 1993:** The Forest Act, 1993 recognizes the importance of forests in maintaining a healthy environment. Section 49 of the Act prohibits reclaiming lands, setting fires, grazing, removing or damaging forest products, felling trees or plants, wildlife hunting and extracting boulders, sand and soil from the National forest without prior approval. Clause 68 (1) of the Forest Act, 1993 (BS 2049) states that the government may permit the use of any part of government-managed forest, leasehold forest or community forest, if there is no alternative for the implementation of a plan or project of national priority without significantly affecting the environment. According to the clause 68 (2), if any loss to persons or community is involved while permitting use of such land, it is required to compensate the loss.

23. **Water Resources Act, 1993:** The main objective of the Water Resources Act is to make legal arrangements for determining beneficial uses of water resources, preventing social, environmental and other hazardous effects thereof and also for keeping water resources free from pollution. Section 16 has a provision for land acquisition from government or public for the construction of a water resource project. If the project has been performed by Government of Nepal or a licensee, Government of Nepal may prohibit to use the premises of a house or land located in the area where such construction work is performed or the premises of a house or land located in the prescribed distance from such place of construction by any other person for any specified purpose. Government of Nepal or the licensee shall pay compensation, as prescribed under Land Acquisition Act, 1977, (BS 2034) to the concerned person for such damage or loss caused due to such prohibition.

24. **ADB Safeguards Policy Statement (2009):** The objectives of ADB's SPS with regard to involuntary resettlement are: (i) to avoid involuntary resettlement wherever possible; (ii) to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and (iii) to improve the standards of living of the displaced poor and other vulnerable groups. ADB's SPS covers physical displacement (relocation, loss of residential land, or loss of shelter)

and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) 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. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary.

25. For any ADB operation requiring land through involuntary land acquisition, resettlement planning is an integral part of project design, to be dealt with from the earliest stages of the project cycle, taking into account the following basic principles:

- (i.) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- (ii.) Carry out meaningful consultations with affected persons, host communities, and concerned non-government organizations (NGO). Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.
- (iii.) Improve, or at least restore, the livelihoods of all displaced persons through (a) land-based resettlement strategies when affected livelihoods are land replacement of assets with access to assets of equal or higher value, (c) prompt compensation at full replacement cost for assets that cannot be restored, and (d) additional revenues and services through benefit sharing schemes where possible.
- (iv.) Provide physically and economically displaced persons with needed assistance, including: (a) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) civic infrastructure and community services, as required.
- (v.) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- (vi.) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.

- (vii.) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (viii.) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (ix.) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.
- (x.) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- (xi.) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xii.) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

26. Government of Nepal laws have no provision for compensation to non-titleholders (i.e., those who do not possess land ownership certificates e.g. informal leaseholders, encroachers), whereas ADB policy provides for compensation against loss of land irrespective of legal ownership. Similarly, squatters, informal tenants etc. are not entitled to compensation for structures in Nepal, in contrast with ADB policy which recognizes affected squatters/encroachers as displaced persons with entitlement to compensation for affected structures/assets. ADB policy provides for compensation to non-titleholders provided they cultivated/occupied the affected land/structure before the eligibility cutoff date. ADB policy also has special provisions and assistance for vulnerable APs, such as female-headed households, disabled persons, indigenous peoples (marginalized), ethnic groups and households living below the poverty line; on the other hand, national laws do not have any provisions for vulnerability. National laws do not provide for livelihood restoration in the event of economic impacts; they also do not provide for resettlement in the event of physical displacement.

27. There are certain key differences between ADB policy and the government's legal frameworks which are summarized below in Table 1. In order to address gaps identified between national law and ADB's SPS, bridging measures are included in the entitlement matrix for the project. ADB's SPS applies to all ADB-financed and/or ADB-administered sovereign projects and their components, regardless of the source of financing, including investment projects funded by a loan, a grant, or other means. The resettlement framework represents a single, uniform document agreed upon by both the Government of Nepal and ADB to ensure compliance with respective rules and policies.

Table 1: Comparison between Government of Nepal Law and ADB Safeguard Policy on Land Acquisition and Resettlement

Sl. No.	ADB's SPS (2009)	Land Acquisition Act, 1977 & Land Reform Act, 1964	Gaps Between LAA and ADB's Policies and Action Taken to Bridge the Gap
1	Involuntary resettlement should be avoided wherever possible.	Not defined in the LAA and LRA.	The approach of avoiding involuntary resettlement has already been taken care of while preparing this project. This will be further practiced during design and implementation.
2	Minimize involuntary resettlement by exploring project and design alternatives	Not defined in the LAA and LRA	The resettlement framework / RP clearly defines the procedures on how to minimize the involuntary resettlement through proper alternate engineering design and adequate consultation with stakeholders.
3	Conducting census of displaced persons and resettlement planning	The LAA spells out that physical inventory of assets and properties found on the land belonging to legal titleholders is prepared. No cut-off date is specifically mentioned in the LAA; the affected persons need to apply for compensation for buildings, trees, crops etc. within 15 days of being served notice for acquisition, if not satisfied with compensation offered or if he/she wants compensation for assets in addition to land.	The LAA does not define the census survey. It only reflects the inventory of losses (IOL) for titleholders, which is more in physical terms. The ADB policy spells out a detailed census through household surveys of displaced persons in order to assess the vulnerability and other entitlements. Resettlement planning documents for the third STWSSSP have been prepared based on the data collected through conducting a census, a socioeconomic survey for the displaced persons, and an inventory of losses.
4	Carry out meaningful consultation with displaced persons and ensure their participation in planning, implementation, and monitoring of resettlement program.	Section 1 (6) of the LAA provides that whenever any property is needed or is likely to be needed for any public purpose or in the public interest, a notice is to be given at specified offices and house door/compound wall in the prescribed form and manner, stating that the property is proposed for acquisition.	The LAA does not directly meet ADB's requirements. This section of the ordinance establishes an indirect form of public consultation. However, it does not provide for public meetings and project disclosure, so stakeholders are not informed about the purpose of land acquisition, its proposed use, or compensation, entitlements, or special assistance measures. The resettlement planning documents for the third STWSSSP has been prepared following a consultation process which involves all stakeholders (affected persons, government department/line agencies, local community including indigenous peoples and women etc.), and the consultation will be a continuous process at all stages of the project development such as project formulation, feasibility study, design, implementation, and post-implementation, including the monitoring phase.
5	Establish grievance redress mechanism.	Section 11 of LAA allows the landowner to file complaints / raise objections in writing within a time frame of 7 days plus time taken for travel from the date of publication of notice. Complaints are to be filed with the Ministry of Home Affairs, GoN through the local officer in charge of land acquisition.	The resettlement planning documents include an appropriate grievance redress mechanism to resolve complaints at project level. This includes formation of a grievance redress committee at town level, and publication of the notice of hearings and the scope of proceedings.
6	Improve or at least restore the livelihoods of all	The LAA does not address the issues related to income loss, livelihood, or loss of non-	The resettlement plans for this project keep the provision for a census survey that will have the data on the loss of income and

Sl. No.	ADB's SPS (2009)	Land Acquisition Act, 1977 & Land Reform Act, 1964	Gaps Between LAA and ADB's Policies and Action Taken to Bridge the Gap
	displaced persons.	titleholders. It only deals with the compensation for loss of land, structures, buildings, crops and trees, etc. for the legal titleholders and for tenants with registered deeds.	livelihood, and the same will be compensated as per the entitlement matrix for both physically and economically affected persons.
7	Land-based resettlement strategy	The LAA Section 14 provides for land for land compensation (if available), if the landowner loses his total land. In case of religious trust/ <i>Guthi</i> lands acquired, Section 42 of the Land Reform Act states that <i>Guthi</i> land required for development work must be replaced with another land (rather than compensated in cash).	Though this option may be a difficult proposition, given the lack of government land and the difficulties associated with the acquisition of private lands, the resettlement plans propose land-for-land compensation as its priority, if feasible. Attempt will be made to find alternate land for the loss of land, in case it is available and if it is feasible, looking at the concurrence of host community and land value.
8	All compensation should be based on the principle of replacement cost.	The LAA does not specify how compensation is to be determined. Section 13 states that the amount of compensation may be determined separately for persons whose land is wholly acquired and persons whose land is partially acquired. Section 20 of the LAA states that in case the land to be acquired under this Act is a tenancy holding: fifty percent of the amount of compensation payable for such land shall be obtained by the tenant with legal rights. In case a house constructed by the tenant with the consent of the landowner is also acquired, the tenant is eligible for the entire amount of compensation paid for such house.	The LAA differs from ADB policy in the valuation of land and prices of affected assets, where ADB prescribes the use of current market rates/replacement cost in the project area. The ordinance does not ensure replacement value or restoration of pre-project incomes of the affected persons. The resettlement planning documents for the third STWSSP address all these issues, and spell out a mechanism to fix the replacement cost by having a valuation committee which will be responsible for deciding the replacement costs.
9	Provide relocation assistance to displaced persons.	No mention of relocation assistance to affected persons in LAA, although Section 16 (b) states The losses suffered by the concerned person as a result of his having been required to shift the residence or the place of his/her business by reason of acquisition of the land should be taken into account for computation of compensation.	The resettlement plan(s) provide for the eligibility and entitlement for relocation of the affected persons, in the form of relocation assistance which includes shifting allowances, right to salvage materials, and additional transitional assistance for the loss of business and employment.
10	Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.	The LAA does not have this provision.	The LAA only takes into consideration the legal titleholders and ignores the non-titleholders. The resettlement planning documents of the third STWSSSP ensure compensation and assistance to all affected persons, whether physically displaced or economically displaced, irrespective of their legal status. The end of the census survey will be considered the cut-off date, and affected persons listed before the cut-off date will be eligible for assistance.

11	Disclose the resettlement plan, including documentation of the consultation in an accessible place and a form and language understandable to affected persons and other stakeholders.	The ordinance only ensures the initial notification for the acquisition of a particular property.	The LAA does not comply with ADB's SPS-2009 as there is no mention of disclosure of resettlement plan. The SPS ensures that the resettlement plan, along with the necessary eligibility and entitlement, will be disclosed to the affected persons in the local language (Bengali) in the relevant project locations and concerned government offices, and the same resettlement plan will also be disclosed on the executing agency's website and on the website of ADB.
12	Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits.	The LAA has a provision to include all the costs related to land acquisition and compensation of legal property and assets for legal titleholders. However, it does not take into account the cost related to other assistance and involuntary resettlement.	The LAA partially meets the requirement of ADB, as it only deals with the cost pertaining to land acquisition. The resettlement plan provides eligibility to both titleholders and non-titleholders with compensation and various kinds of assistances as part of the resettlement packages, and the entire cost will be part of the project cost.
13	Pay compensation and provide other resettlement entitlements before physical or economic displacement.	The LAA has the provision that at least 50% or a reasonable amount of compensation will be paid prior to possession of the acquired land.	It is specified in the resettlement planning documents of the third STWSSSP that all compensation and other entitlements are to be paid prior to physical and economic displacement and prior to contract award
14	Monitor and assess resettlement outcomes, and their impacts on the standards of living of displaced persons.	This is not defined in the LAA.	The LAA does not comply with ADB safeguards policies. The resettlement planning documents of the third STWSSSP has a detailed provision for a monitoring system within the executing agency. The executing agency will be responsible for proper monitoring of resettlement plan implementation, and the monitoring will be verified by an external expert.

C. Resettlement Framework

28. The Resettlement Framework (RF) prepared for the third STWSSSP replaces the RF prepared during the second project, which was based on ADB safeguards policy, 1995. This RF is based on applicable legal and policy frameworks of the government, namely the Land Acquisition Act, 1997 and its amendment in 1993, and ADB's Safeguards Policy Statement (SPS), 2009:

- (i) Resettlement impacts of each sub-project will be avoided or minimized, exploring all viable alternative sub-project designs;
- (ii) Where the resettlement impacts are unavoidable, the DPs should be assisted in improving or at least regaining their standard of living;
- (iii) The DPs will be involved in the sub-project preparation planning and implementation and resettlement information will be disclosed to all of them;
- (iv) Vulnerable groups including households headed by women, the elderly or disabled, and indigenous groups and those without legal title to land and property and those living Below Poverty Line (BPL)² will be given special assistance to facilitate them improve their socio-economic status;
- (v) The absence of formal title to land is not a bar to policy entitlements.
- (vi) Compensation for all lost assets acquired or affected is based on the principle of replacement cost;
- (vii) Restoration of livelihoods and residences of the DPs will be assisted with adequate resources with time bound action plan in coordination with Civil works;
- (viii) DPs are to be assisted to integrate economically and socially into host communities where physical displacement takes place, so that adverse impacts on the host communities are minimized and social harmony are promoted.
- (ix) Opportunities for negotiated land purchase will be explored. In such cases of negotiated settlement and land donation participating WUSC clients will engage an Independent third party for supervising and validating these procedures as per ADB policy of Safeguard requirement 2 of SPS, paragraph 25.
- (x) All payments including compensation for loss of land, assets, structures, trees, income common properties will be made prior to physical or economic displacement and commencement of civil construction work.

29. Subprojects to which the RF will be applied would broadly have four types of resettlement impacts requiring mitigation measures. The types of impacts are (i) loss of assets, including land, houses/shelters and other assets attached to it; (ii) loss of standing crops and trees; (iii) loss of livelihood or future income opportunities; and (iv) loss of common property resources and loss of access or limited access to such resources.

30. Every effort would be made during sub-project design and preparation to minimize acquisition of land and other assets and to reduce adverse resettlement impacts. The structures/assets falling outside the project working zone would be left undisturbed as far as possible.

² As per Nepal Living Standards Survey 2010/2011, below poverty line income is NPR 19,262 person/year. On adjusting for inflation, this is estimated at NPR 23,307 per year in 2013-14.

D. Obtaining land for Project purposes

31. Land acquisition, if required, will follow the LAA 1977 process. The process of negotiated purchase and land donation is discussed in detail in subsequent paras in this section of the RF. Table 2 describes the process to be followed in obtaining land for project purposes.

Table 2: Process to be followed to obtain land for project purpose

Type	Process, clearances and approvals
Private land (parcel/strip)*	<ol style="list-style-type: none"> (1) Acquisition under LAA 1977 or donation or negotiated purchase; For any land donation or negotiated purchase, overseeing of process by third party mandatory, as per steps given in this RF. (2) Once acquisition/donation/purchase completed, ownership transfer to WUSC clients should be in effect. Record of ownership to be obtained from the District Land Records Office; survey map of site prepared by District Land Survey Office, endorsed by District Land Records Office
Community land (e.g. community temple/ community forest land)	<ol style="list-style-type: none"> (1) WUSC clients to obtain NOC from community members / users of the temple/forest/other community land; and (2) In case land was donated by a private owner to the temple, WUSC clients to obtain NOC from original owner/descendants; (3) In case land donated/transferred by any government department to temple, WUSC clients to obtain NOC from the donor government department (e.g. VDC/ municipality/ Department of Forests etc.); (4) DSMC to conduct due diligence and confirm whether restriction of use/access will be caused at proposed sites for any titleholders/tenants/users/non-titleholders; update RP and/or Due Diligence Report; obtain PMO and ADB approval on updated RP/DDR. (5) Compensation to be given by WUSC clients as per entitlement matrix to community and any other APs identified, before giving clearance to Contractor for construction.
Government land	<ol style="list-style-type: none"> (1) NOC from concerned government department

*For transmission mains, the minimum width of strip to be donated/purchased will be 1 m.

32. For distribution pipeline alignments, the Project will use existing road or public RoWs where possible. In case of any distribution line through private land near existing road, ownership transfer to WUSC clients will not be required, as GoN Road Service Act, BS 2034 states that government or public entity can restrict construction of permanent structures up to 6 m from an existing road. However, in all such cases, the WUSC clients will be required to maintain a record of consent received from the concerned landowners for the purpose, which will be included in the updated land acquisition and resettlement due diligence reports.

E. Negotiated Settlement process

33. In line with ADB SPS 2009 (Safeguards Requirements 2), the project resettlement framework does not apply to negotiated settlements. The policy encourages acquisition of land and other assets through a negotiated settlement wherever possible, based on meaningful consultation with affected persons, including those without title to assets. A negotiated settlement will offer adequate and fair price for land and other assets. Also, in case of negotiated settlement, an independent external party will be engaged by the implementing agency to document the negotiation and settlement processes. The principles of the resettlement framework with regard to meaningful consultation processes, mechanisms for calculating the replacement costs of land and other assets affected, and record-keeping requirements will be followed during the negotiated settlement. An external independent entity will supervise and document the consultation process and validate the process of negotiated

settlement as per legal requirement.³ Verification will also be provided by the external party that nobody (e.g. tenants/users of the land) will be impoverished and/or coercively displaced.

34. The steps to be followed and measures to be taken by the WUSC clients for negotiated settlement, in keeping with the basic principles in negotiated purchase clause in LAA of Government of Nepal and as per ADB's SPS (2009), Safeguard Requirement 2, are as follows:

- (i) **Step 1:** WUSC clients will start identifying required land parcels/plots/strips for proposed infrastructure, preferably a suitable government-owned plot. If such land is not available, identification of private land owned by individuals, families, or organizations willing to sell that piece of land will be carried out, and preliminary negotiation started with the legal titleholders. WUSC clients will also search for the land title, and identify any legal or other critical issues associated with the proposed land parcel (such as, jointly owned land, land under legal dispute, etc.).
- (ii) **Step 2:** If legal title is clear and seller(s) is/are willing, a detailed measurement survey (DMS) survey of the land parcel proposed for negotiation will be conducted by government surveyor, assisted by municipality/DWSS engineer. The survey will cover detailed measurement of the land parcel and inventory and status/condition of all other assets on the land e.g. trees, irrigation infrastructure etc.
- (iii) **Step 3:** The current value of the land and structures or assets, if any based on the market price will be arrived at, through market survey. This process helps define the amount that can be offered to the landowner.
- (iv) **Step 4:** Negotiated settlement process will start between the willing landowners and other partners (in case of joint ownership) and the WUSC clients to arrive at a consensus. During negotiation, the requirements, the purpose for which the land is sought, provisions under Government of Nepal LAA 1977 and ADB policy will be explained to the landowner.
- (v) **Step 5:** If negotiated price for sale of land is not accepted by the land owner(s) or fails to lead to an agreement, the WUSC clients will seek alternative plot(s) of land or adopting the involuntary land acquisition approach/route, which will require resettlement plan preparation/updating.

F. Land Donation

35. The steps to be followed and measures to be taken by the WUSC clients for land donation according to ADB's SPS, Safeguard Requirement 2, are as follows:

- (i) **Step 1:** The WUSC clients will be open to the possibility of land donation from any interested person/community. The land requirement will be explained to the interested donor(s). ADB's SPS social safeguard 2 requirements will also be explained to the people willing to donate land. An independent third party will be

³ The WUSC will engage an Independent third party (a party from the locality, with no direct interest in the negotiation process, who could be senior official of the local self-government, a leader of the community, NGO/CBO) in consultation with RPMO. The independent third party will keep a record of meetings, prepare minutes of meetings and be prepared to submit those if required. The minutes of the meetings will be recorded to maintain transparency and will be sent with a note on negotiated land price to PMO. The independent third party should ensure that balanced information is provided to both parties on the value of the affected land.

engaged in case of land donation. The donated land must not (i) bring any significant impact/impoverishment to the donor(s) and/or displace tenants/laborers; (ii) the donation does not come from the land owner categorized as poor or vulnerable family; (iii) the donation will not cause any economical or physical displacement (legal or illegal); (iv) the land donor(s) will get direct benefits from the proposed project activities; (v) meaningful consultations are conducted with the land owner(s); and (vi) the land donation(s) does not come from coercion or asymmetrical power relation between the land owner(s) and the government. This will be confirmed by the assessment undertaken by an independent third party, who will be engaged as indicated under the section above on 'negotiated purchase' (*footnote 4*). Detailed land donation procedures are in the Appendix 6 of this RF.

- (ii) **Step 2:** After donation of land is decided by the donor(s) the WUSC clients will initiate formalization of land donation by issuing one letter to the willing donor(s) with details of public purpose for which land is required and the donor(s) will reciprocate by responding to the intent of donation for the said specific purpose. Then the WUSC clients will take necessary legal steps to formalizing the donation of land.
- (iii) **Step 3:** The Deed of Gift will be registered in the name of the WUSC and all necessary fees, stamp duties will be borne by the WUSC clients. Henceforth the land ownership will be transferred to the WUSC clients and the land record will be revised / amended with Record of Rights showing the changed ownership.

36. If negotiated land purchase or land donation exercise does not yield positive result, ADB SPS (2009) safeguard requirement 2 may be invoked. Preparation of Resettlement Plan as per ADB policy will be required and this Resettlement Framework will be followed for preparation of RP. Third STWSSSP project management office (PMO) will instruct design, supervision and management consultant (DSMC) to start the process of RP preparation once detailed measurement survey is complete. A land acquisition process will be initiated by the WUSC clients once land requirement is finalized in consultation with the concerned RPMO / DMSC engineers and the potential APs are properly intimated and consulted.

G. Eligibility and Entitlements

37. **Eligibility:** According to ADB's safeguard requirement described in SPS, displaced persons are eligible for compensation, assistance and benefits. They include:

- (i) Persons who lost land / assets in entirety or in part having formal legal title over land;
- (ii) persons who lost the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws (such as customary right over land by tribal people)
- (iii) Persons occupying land over which they neither have legal title, nor have claims recognized or recognizable under national law.
- (iv) Vulnerable households defined as poor households below the poverty line (BPL) as determined by the state, female headed households, indigenous people, as determined by the Government of Nepal.

38. ADB's IR policy applies to all types of displaced persons mentioned above. Adequate and appropriate compensation for land and structures at replacement cost will be provided to (i)

the persons having legal title over land and (ii) those without legal title but with claims recognized under national laws, (iii) those occupying land without legal title or claim recognized under national laws, who will be compensated for loss of structures/other assets except land. The displaced people under category (iii) are eligible for compensation and assistance only if they occupy land/project-impacted areas prior to project cut-off-date.⁴ All displaced persons as defined above will be entitled to compensation for their affected assets and loss of income and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels.

39. **Entitlements:** The entitlement matrix in Table 3 summarizes the main types of losses envisaged and the corresponding nature and scope of entitlements in accordance with government and ADB policies. The Entitlement Matrix provides guidance for compensation, resettlement, and rehabilitation assistance planning. Standards described will not be lowered but can be enhanced in the subproject resettlement plans as required.

⁴ The cut-off date for titleholders is as per the Land Acquisition Act 1977, while for non-titleholders, it is the date of the detailed measurement survey. Those who encroach into the subproject area after the cut-off date will not be entitled to compensation or any other assistance.

Table 3: Entitlement Matrix

Type of Loss	Specification	Eligibility	Entitlements	
1. LAND				
Agricultural (including crop land, pastures, wasteland, ponds, etc.)	Partial loss of plot (<50%)	Owner (titleholder, legalizable user ^a)	<ul style="list-style-type: none"> • Cash compensation at fair market value, including all transaction costs, such as applicable fees and taxes • Provision of title for remaining land to legalizable user • Subsistence cash allowance based on income from lost plot: (a) for a period of 6 months if residual land unviable; (b) for a period of 3 months if residual land viable. 	
		Lessee	<ul style="list-style-type: none"> • Cash refund of the lease money for the lessee for duration of remaining lease period to be deducted from the owner • Assistance to find alternative land • Subsistence cash allowance based on 3 months' income from lost plot, for a period of 3 months. 	
		Sharecropper/informal tenant	<ul style="list-style-type: none"> • 30 days advance notice to harvest standing seasonal crops; if not possible, compensation for share of standing crops at market price. • Assistance to find alternative land • Subsistence cash allowance based on 3 months' income from lost plot, for a period of 3 months. 	
		Tenants (registered)	<ul style="list-style-type: none"> • Registered tenants will be entitled to 50 % of the total compensation amount as per Land Reform Act. They will be verified through a record of tenancy at the Land Revenue Office 	
		Non-titled user (squatter/ informal land users)	<ul style="list-style-type: none"> • No compensation for land loss • Provision to use the remaining land as titled or rental/lease land • Subsistence cash allowance based on 3 months' income from lost plot. 	
	Full loss of plot (≥ 50 %)	Owner (titleholder, legalizable user)	<ul style="list-style-type: none"> • Land-for-land compensation through provision of fully titled and registered replacement plot of comparable value and location as lost plot, including payment of all transaction costs, such as applicable fees and taxes • Cash compensation at fair market value, including all transaction costs, such as applicable fees and taxes • Unaffected portions of a plot that become unviable as a result of impact will also be compensated • Subsistence cash allowance based on income from lost plot: (a) for a period of 6 months if residual land unviable; (b) for a period of 3 months if residual land viable. 	
		Lessee	<ul style="list-style-type: none"> • Cash refund at rate of rental fee proportionate to size of lost plot for 6 months • Cash refund of the lease money for the lessee for duration of remaining lease period, to be deducted from the owner assistance to find alternative land for rent/lease 	
		Sharecropper/informal tenant	<ul style="list-style-type: none"> • Cash compensation equal to current market value of share of 1 year of harvests for entire lost plot • Assistance to find alternative land 	

Type of Loss	Specification	Eligibility	Entitlements
		Tenant (registered)	<ul style="list-style-type: none"> Registered tenants will be entitled to 50 % of the total compensation amount as per Land Reform Act. They will be verified through a record of tenancy at the Land Revenue Office
		Non-titled user (squatters/ informal land users)	<ul style="list-style-type: none"> No compensation for land loss Assistance for finding alternative land as titled or rental/lease land Subsistence cash allowance based on 3 months' income from lost plot, for a period of 3 months
Residential, commercial, community	Partial loss of plot (<50 %)	Owner (titleholder, legalizable user)	<ul style="list-style-type: none"> Cash compensation at fair market value including all transaction costs, such as applicable fees and taxes Provision of title for remaining land to legalizable user
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund of the lease money for the lessee for duration of remaining lease period to be deducted from the owner Provision of cash compensation for 6 months rental value of similar level of structure
		Non-titled user (squatter, encroacher)	<ul style="list-style-type: none"> No compensation for land loss Provision to use the remaining land or alternative land as titled or rental/lease land
	Full loss of plot (=>50 %)	Owner (titleholder, legalizable user)	<p>The AP may choose between the following alternatives:</p> <ul style="list-style-type: none"> Land-for-land compensation through provision of fully titled and registered replacement plot of comparable value and location as lost plot (possibly at relocation site for displaced community), including payment of all transaction costs, such as applicable fees and taxes OR Cash compensation at fair market value, including all transaction costs, such as applicable fees and taxes
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund of the lease money for the lessee for duration of remaining lease period to be deducted from the owner Assistance to find alternative place for lease/rent
		Non-titled user (squatter, encroacher)	<ul style="list-style-type: none"> No compensation for land loss Assistance to find alternative land as titled or rental/lease land Allowed to construct temporary structure on land identified through some lease/rent system
Temporary land acquisition	Land required temporarily during civil works	Owner, lessee, tenant	<ul style="list-style-type: none"> Rental fee payment for period of occupation of land Restoration of land to original state Guarantee of access to land and structures located on remaining land
		Non-titled user	<ul style="list-style-type: none"> Restoration of land to original state Guarantee of access to land and structures located on remaining land
2. STRUCTURES			
Residential, agricultural, commercial, community	Partial loss (<30 %) and alteration of structure	Owner (including non-titled land user)	<ul style="list-style-type: none"> Cash compensation for lost parts of structure at replacement cost and repair of remaining structure at market rate for materials, labor, transport, and other incidental costs, without deduction of depreciation value Right to salvage materials from lost structure Allowed to construct temporary structure on unused part of project land after

Type of Loss	Specification	Eligibility	Entitlements
			<p>completion of civil work, through some lease/rent system</p> <ul style="list-style-type: none"> In case of loss of toilet rendering structure unliveable, replacement with safe sanitation facilities at adjacent or nearby location, or, compensation for the entire structure at the discretion of the owner.
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund of the lease money for the lessee for duration of remaining lease period (to be deducted from the owner)
	Full loss of structure (=>30 %) and relocation	Owner (including non-titled land user)	<p>The AP may choose between the following alternatives:</p> <ul style="list-style-type: none"> Compensation through provision of fully titled and registered replacement structure of comparable quality and value, including payment of all transaction costs, such as applicable fees and taxes, at a relocation site or a location agreeable to the AP OR Cash compensation for the affected structure at replacement cost, including all transaction costs, such as applicable fees and taxes, without deduction of depreciation for age In case of the remaining structure become unliveable the compensation will be calculated for the entire structure without deduction of depreciation and self-relocation <p>IN EITHER CASE</p> <ul style="list-style-type: none"> Right to salvage materials from lost structure
		Lessee, tenant	<ul style="list-style-type: none"> Cash refund at rate of rental fee proportionate to size of lost plot for 6 months The lease money for the lessee for duration of remaining lease period will be deducted from the owner
	Moving of minor structures (fences, sheds, kitchens, latrines, etc.)	Owner, lessee, tenant	<p>The AP may choose between the following alternatives:</p> <ul style="list-style-type: none"> Cash compensation for self-reconstruction of structure at market rate (labor, materials, transport, and other incidental costs) OR Relocation/reconstruction of the structure by the project <p>IN EITHER CASE</p> <ul style="list-style-type: none"> Access to the affected facility should be to be restored
	Stalls, kiosks	Vendors (including titled and non-titled land users)	<ul style="list-style-type: none"> Assistance for finding alternative land to continue business Allowed to construct temporary structure/continue business through some lease/rent system as vendor , at alternative location comparable to lost location AND Cash compensation for self-relocation of stall/kiosk at market rate (labor, materials, transport, and other incidental costs)
	Fixed assets attached to affected structures (water supply, telephone lines)	Owner, lessee, tenant	<ul style="list-style-type: none"> Cash compensation for reinstallation and connection charges
3. INCOME RESTORATION			
Crops	Affected crops	Cultivator	<ul style="list-style-type: none"> Cash compensation at current market rate proportionate to size of lost plot for 1 year's future harvests, based on crop/fish stocks type and highest average yield

Type of Loss	Specification	Eligibility	Entitlements
			<ul style="list-style-type: none"> over past 3 years Residual harvest can be taken away without any deduction
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share
Trees	Affected trees	Cultivator	<ul style="list-style-type: none"> Cash compensation for perennial crop trees at current market rate of crop type and average yield (i) multiplied, for immature non-bearing trees, by the years required to grow tree to productivity, or (ii) multiplied, for mature crop-bearing trees, by 5 years average crops (the grafted/tissue cultured plant usually starts fruiting within 2-3 years), plus cost of purchase of grafted/tissue cultured plant and required inputs to replace trees Cash compensation for timber trees at current market rate of timber value of species at current volume, plus cost of purchase of seedlings/sapling and required inputs to replace trees
		Parties to sharecrop arrangement	<ul style="list-style-type: none"> Same as above and distributed between land owner and tenant according to legally stipulated or traditionally/informally agreed share
Permanent loss of agriculture-based livelihood	Partial loss of agricultural land with viable land remaining	Owner, lessee, sharecrop tenant, non-titled land user	<ul style="list-style-type: none"> Provision of support for investments in productivity enhancing inputs, such as land levelling, terracing, erosion control, and agricultural extension, as feasible and applicable Additional financial supports/grants if land/crop compensation is insufficient for additional income-generating investments to maintain livelihood @ Rs.25,000/ HH*
	Full loss of viable agricultural land without availability of alternative land	Owner, lessee, sharecrop tenant, non-titled land user	<ul style="list-style-type: none"> Provision of retraining, job placement Included in the project livelihood restoration and rehabilitation program Financial grants and/or microcredit access for livelihood investment as well as organizational/logistical support to establish an alternative income generation activity @ Rs.35,000/HH*
Loss of income from agricultural labor		Wage laborers in WTP, OHT, septage management, any other infrastructure/facility areas or any other affected agricultural land	<ul style="list-style-type: none"> Cash assistance for loss of income up to 7 days at Rs.300 per day or prevalent minimum wage rate for agricultural labour, whichever is higher Preferential selection for work at project site during civil works
Maintenance of access to means of livelihood	obstruction by subproject facilities	All APs	<ul style="list-style-type: none"> Accessibility of agricultural fields, community/social facilities, business premises, and residences of persons in the project area ensured Accessibility to the original/alternative fishing ground
Businesses (CBE)	Temporary business loss due to LAR or construction activities of project	Owner of business (registered, informal)	<ul style="list-style-type: none"> Cash compensation equal to lost income during period of business interruption based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax records
	Permanent business loss due to LAR without	Owner of business (registered, informal)	<ul style="list-style-type: none"> Cash compensation equal to lost income for 1 year, based on tax record or, in its absence, comparable rates from registered businesses of the same type with tax

Type of Loss	Specification	Eligibility	Entitlements
	possibility of establishing alternative business		<ul style="list-style-type: none"> records AND • Provision of retraining, job placement, additional financial grants and microcredit for equipment and buildings, as well as organizational/logistical support to establish AP in alternative income generation activity • Included in the project livelihood restoration and rehabilitation program
Employment	Temporary employment loss due to LAR or construction activities	All laid-off employees of affected businesses	<ul style="list-style-type: none"> • Cash compensation equal to lost wages during period of employment interruption up to 6 months, based on tax record or registered wage, or, in its absence, comparable rates for employment of the same type • As applicable by labor code, compensation will be paid to the employer to enable him/her to fulfill legal obligations to provide compensation payments to laid-off employees, to be verified by government labor inspector
	Permanent employment loss due to LAR without possibility of re-employment in similar sector and position in or near area of lost employment/ daily wage	All laid-off employees of affected businesses	<ul style="list-style-type: none"> • Cash compensation equal to lost wages for 6 months, based on tax record or registered wage, or, in its absence, comparable rates for employment of the same type • If required by the applicable labor code, compensation will be paid to employer to enable him/her to fulfill legal obligations to provide severance payments to laid-off employees, to be verified by government labor inspector AND • Provision of retraining, job placement, additional financial grants, and microcredit for equipment and buildings, as well as organizational/logistical support to establish AP in alternative income generation activity • Included in the project livelihood restoration and rehabilitation program
4. COMMON RESOURCES, PUBLIC SERVICES AND FACILITIES			
Loss of common resources, public services and facilities	footbridges, roads, footpaths, culverts, places of worship, educational institutions, common water points/connections, public/community toilets, community spaces, playgrounds etc.	Service provider	<ul style="list-style-type: none"> • Full restoration at original site or reestablishment at relocation site of lost common resources, public services and facilities, including replacement of related land and relocation of structures according to provisions under Sections 1 and 2 of this entitlement matrix; and one time grant fund for the CPR committee and management OR • Construction of additional community facilities and restoration of existing facilities in the original site/remaining part of site.
5. SPECIAL PROVISIONS			
Vulnerable APs	Loss of land, structure, and/or employment	All vulnerable APs (in all project locations)	<ul style="list-style-type: none"> • Assistance in identification and purchase or rental of new plot/structure through microcredit scheme • Assistance with administrative process of land transfer, property title, cadastral mapping, and preparation of compensation agreements • Provision of livelihood training, job placement • Included in the project livelihood restoration and rehabilitation program • Financial grants and/or microcredit access for livelihood investment as well as organizational/logistical support to establish an alternative income generation activity

Type of Loss	Specification	Eligibility	Entitlements
			<ul style="list-style-type: none"> • Subsistence allowance of minimum of 12 months of official minimum wage • Preferential selection for project-related employment
Women, social/religious minorities, elderly-headed household, poor households	Loss of land and structures	Titled or recognized owners of land and structures	<ul style="list-style-type: none"> • Titling of replacement land and structures in female owner's/minority/ elderly HH head's name (as applicable) • Cash compensation paid directly to female owners and head of minority HHs
Tribal people affected, if any	Loss of land, community assets and structures	Affected tribal people/ community	<ul style="list-style-type: none"> • Compensation packages as determined by the valuation committee and consultation with the affected community • Full restoration and renovation of affected assets • Special assistance for livelihood restoration as required • In case of major impacts, specific assistance and benefits will be specify under Indigenous People Development Plan
Other impacts	Unanticipated impacts and negotiated changes to entitlements	All APs	<ul style="list-style-type: none"> • To be determined in accordance with the IR safeguards requirements of the ADB SPS and project resettlement framework • Project RP to be updated and disclosed on ADB website • Standards of the entitlement matrix of the RP not to be lowered

*Additional grants for livelihood support/income generating activities is computed on the basis of similar support being provided for starting income generating activities by NGOs, SHGs and other multi-lateral aided projects in Nepal.

H. Resettlement Plan (RP) Preparation

40. As part of project preparation a screening exercise will be undertaken by WUSC /detailed design consultants using ADB's Screening and Categorization forms for Involuntary Resettlement to assess the potential involuntary and resettlement impacts to the affected population (Appendix 1).

41. As per the ADB's OM Section F1/OP March 2010, (Para 8), screening process categorizes projects by the probable involuntary resettlement impacts. (i) A category 'A' project is when a project/subproject is likely to have significant⁵ impacts on land acquisition and resettlement (LAR). (ii) Category 'B' Projects if it is likely to have limited impacts on LAR; and (iii) Category 'C' Projects if it is not expected to have impacts on land acquisition and resettlement. For projects with category A and B, resettlement plan (RP) will have to be prepared by the implementing agencies for review and approval by ADB. For the category C project no specific document needs to be prepared.

42. Based on preliminary assessment during PPTA for proposed investments for sample subprojects, the project is not anticipated to involve significant land acquisition or resettlement impacts at this stage and is classified as Category B. IR categorization will need to be confirmed for each subproject during detailed design following finalization of land requirements for proposed facilities, obtaining of no objection certificates and finalization of alignments. All efforts shall be made to minimize adverse impacts and maximize project benefits. When IR impacts are identified, the required RP will be prepared for each subproject/component guided by this RF and cleared by the Implementing Agency (DWSS) and ADB prior to bidding of civil works.

43. Resettlement plans will be prepared for different components, if required, based on the results of initial survey following preliminary/ detailed design. Appendix 2 provides an outline of a resettlement plan. If resettlement impacts are unavoidable, preparation of a resettlement plan is required and will be prepared by a Social Safeguard Expert from the concerned DSMC with support from RPMO/WUSC. The RP will be prepared according to the following procedures:

- (i) Undertake a detailed census and replacement cost survey⁶ of all APs including titled and non-titled persons (land ownership and tenancy will be identified from District Land Revenue Office and District Survey Office records);
- (ii) Conduct a socio-economic survey of least 10% of all APs and 20% of severely affected households;
- (iii) At the same time of surveys closely consult with APs about the subproject likely impacts, and principles, and preferred entitlements using RF;
- (iv) Prepare the draft RP as per ADB SPS 2009 requirements and project RF with time-bound implementation schedule, procedures for grievance mechanism and monitoring and evaluation, and a budget;
- (v) Draft RP made available to APs; (v) Finalize the subproject RP and submit to PMO and ADB for approval; and
- (vi) The final RP will be translated and disclosed to APs and posted on ADB's website.

⁵ The involuntary resettlement impacts of an ADB supported project are considered significant if 200 or more persons will experience major impacts which defines as (i) being physically displaced from housing or (ii) losing 10% or more their productive assets (income generating).

⁶ A market survey for various types of affected assets will be a basis for determining compensation rates at replacement cost, and will be used to help the owner in valuing his/her land and negotiating deal with WUSC who will pay for land acquisition.

III. SOCIOECONOMIC INFORMATION AND IMPACT ASSESSMENT

44. For RP preparation, social, economic and gender information must be provided. These must be based on data collected through the following methods.

- (i) **Socioeconomic Survey.** 20 – 25% sample of APs using a household questionnaire with the purpose of preparing a profile of APs, assessing incomes, identifying productive activities of all APs and preparing a plan for income restoration, relocation options, and special measures for vulnerable groups. All data is to be disaggregated by gender.
- (ii) **Census of Affected Persons.** Complete enumeration of all affected households to prepare a complete list of 100% of APs, to identify entitled and non-entitled persons, and vulnerable households.
- (iii) **Review of Land Records and Ownership Deeds of 100% of APs** to prepare land compensation award papers in consultation with APs.
- (iv) **Inventory of Land and Non-Land Assets.** Inventory and detailed measurement of all affected assets (land and non-land) and remaining fixed assets of 100% of APs
- (v) **Independent assessment of Market Value of Affected Assets.** This activity should be done by independent valuation experts.

45. The inventory of assets to be acquired and the census of affected people and their households serve several purposes: (a) to identify who is eligible for compensation and resettlement entitlements; (b) to establish a cut-off date for eligibility; (c) determine categories of entitlements; (d) to provide a basis for valuation and compensation; and (e) to supply an important part of the land acquisition and resettlement database to be used for project monitoring. The census and inventory of assets can be done separately. However, since each requires visits to all affected households, doing them together is more practical.

46. Aside from the permanent impacts to the affected person, temporary impacts to vendors and hawkers during the construction of civil works may occur. To record data on the nature and extent of resettlement impacts among likely affected persons on the impacts the form below can be used. This information should be collected through a census of all businesses to be affected by the project activities in terms of possible loss of income/livelihood. Information to be collected includes:

- (i) businesses: number and type of businesses; type of ownership; average monthly income;
- (ii) number of persons in the affected households
- (iii) affected structures
- (iv) affected trees
- (v) affected employees
- (vi) affected number of hawkers, vendors, shops; including type of merchandise; average monthly income; and
- (vii) any other social and economic impacts (both permanent and temporary) including its nature and size of the impact.

47. During the social impact assessment for the subprojects resettlement plan preparation possible negative impact on gender aspects, i.e. female headed households, will be carefully reviewed and specific assistance will be provided to these households. The prepared RP will ensure impacts on gender are adequately addressed and will not disadvantage women.

Women's focus group discussion will be held to address women specific issues. During process of compensation payment and other assistance the affected female headed households will be prioritized.

48. Similarly, in the event of Indigenous People issues are identified as either the affected people in land acquisition and resettlement or affected in any other way, in any future subprojects, specific attention will be given to them and careful impact assessment will be done as per provisions of the Indigenous Peoples Planning Framework (IPPF) for the third STWSSSP. Depending on the nature of the impacts, the IPP can be integrated into the subproject resettlement plan or to be prepared as stand-alone document for the subproject.

IV. CONSULTATION, PARTICIPATION AND DISCLOSURE

A. Consultation and Participation

49. Consultation with the primary and secondary stakeholders is an important tool for the successful preparation and implementation of RP. The primary stakeholders include displaced persons (DP), the project beneficiaries, and the WUSC clients at town-level. The secondary stakeholders are other individuals or groups with interest in the Project, and include elected representatives, local or national government, policy makers, advocacy groups, and NGOs, if any.

50. The participatory consultation process will adopt a range of formal and informal consultative methods including in-depth interviews with key informants, focus group discussions, meetings, and workshops apart from interaction with individual DPs. The consultation activities will be undertaken at various stages of project: (i) Project initiation, (ii) RP preparation and (iii) RP implementation. Consultation process will also vary according to requirement at various levels of project.

B. Project Initiation Stage

51. At this stage only a tentative project proposal and its consequences will be discussed. Project components, potential benefits and risks that are likely to be involved are the main topics of discussion at this stage. Hence community leaders, associations, local NGOs/CBOs will be the targeted audiences whom project proponent will approach and discuss about basic plan and designs. The WUSC clients will take the initiative to divulge the proposal and start the consultation process. The consultation will be more of dissemination of project information for the community to understand the overall issues of the project. PMO social safeguard officer and RPMO social development officers will ensure that records of these consultations are maintained by WUSC clients and minutes of the meetings kept, with the assistance of the DSMC social safeguards specialist and DSMC social mobilizers, as necessary. Response of the community - vocal and written, if any, will also be recorded for future discussion/evaluation of design option etc.

52. After draft design for technical components is prepared and when potential involuntary resettlement impacts can be assessed tentatively, consultation will include the potential DPs, apart from the community leaders. At this stage impact on the vulnerable people, including women headed households, indigenous people, BPL families and others will be possible to identify. Hence, consultation process will be more of focus group discussion method with each potentially affected group separately. Particular emphasis will be on the vulnerable people and the discussion mode will be informal and in a comprehensible manner to the participants. Small

groups of each category will be invited according to their convenience and the project design including the risks and benefits will be explained to them. The details of the consultations and their responses will be recorded.

C. RP Preparation Stage

53. As part of RP preparation SIA will commence with census and socioeconomic survey over the potentially affected families. Upon the completion of final detail engineering design a Detailed Measurement Survey (DMS) will be done to identify the scale and final nature of the involuntary resettlement impacts to be experienced by the affected population. This will set off the finalization of the RP for potentially displaced families, mitigation actions, funding requirements and institutional preparedness. The implementing agency will also be required to publicly disclose the project census cut-off date to determine the eligibility of the affected people on compensation and other entitlements.

54. Consultations with the head of the households / members of the potentially displaced families, voluntary organizations, CBOs; major state level stakeholders including Government agencies; vulnerable groups, such as women headed households, tribal and ethnic minority communities. Consultation method will be more focused on individual interviews with the DPs, FGD sessions with the small groups including the vulnerable families and interview with key stakeholders at Government and community levels. The detailed information of the project impact, particularly the adverse impact and the entitlement will be explained to the DPs in a transparent and easily understandable manner and their response regarding project impact will be recorded. The purpose of consultation at this level will be to get views from well informed stakeholders about the project and its involuntary resettlement impact which will help in finding alternate design options to minimize resettlement impact.

55. All consultations will be organized by WUSC, with assistance from DSMC SSS. The RPMO SDOs will prepare a detailed consultation and disclosure plan and carry on consultation and disclosure of the entitlement package accordingly. He/she will be responsible for conducting/ arranging participatory consultation and disclosure meetings in such a manner that the DPs and the stakeholders at community level will feel free to express their views without coercion, fear or hesitation. If there is any change in project design in sites or alignment depending on inputs of the consultation process these will be made known to the DPs. Participatory consultation with the DPs will be documented and an appendix will be provided to the RP containing consultation meeting details, minutes of the meetings, list of participants.

D. RP Implementation Stage

56. During RP implementation stage consultation with the DPs should be part of the regular RP activities for successful implementation with minimum hurdles. The nature of consultation will be to enquire about progress of RP activities and constraints, if any faced by the DPs. In case of land acquisition more intense and frequent consultation with the DPs will be made and their entitlement will be disclosed to them. Emphasis will be on regular consultation with the vulnerable DPs, including women headed households and indigenous people to make them prepared for the physical displacement, if any and provide necessary help and assistance if physical displacement is involved.

E. Consultation for Income Restoration Program

57. Some vulnerable persons are likely to be affected either temporarily during construction or permanently due to land acquisition. Income restoration program for these vulnerable affected persons is required. For that purpose more intense and frequent consultation with the individuals will be made in order to identify individuals for the program, assess their need, and capability and willingness and above all identify and select skill development training institutes for the purpose.

58. The process of public consultation will be as follows.

- (i) The stakeholders' consultation will be in the form of local/neighborhood level meetings - in case there are localities with a number of APs identified for income restoration, as well as individual meetings with such APs, organized by the WUSCs
- (ii) During census and socio economic survey, the vulnerable affected families will be identified and their preferred vocations, acquired skill, preference for skill training recorded. This will help plan for the income restoration program, training institute identification and budget assessment.
- (iii) Market survey will be carried out by the DSMC for product viability and skill employability in case of new skill development trainings and enterprises and the feedback of the survey will be disclosed to the DPs identified for the program. The mode of consultation will be at personal and individual level with each of the individuals selected for livelihood restoration program.

F. Disclosure

59. The level of disclosure will be commensurate with progress of RP preparation and implementation. At RP preparation phase, the DPs and particularly the indigenous peoples and *dalit* community should be taken into confidence. As mentioned in previous paragraphs, disclosure is a critical activity along stages of RP preparation and implementation.

60. At RP preparation phase, project impact on involuntary resettlement will be disclosed during SIA and feedback from potential DPs and the community will be further investigated for identifying design options. After careful examination of all possible ways and means to minimize resettlement impact, project component design will be finalized, which will be disclosed to the people and community for their understanding. RP will be prepared based on the ultimate involuntary resettlement impact due to final project design.

61. To provide for more transparency in planning and for further active involvement of displaced persons and other stakeholders the project information will be informed through disclosure of resettlement planning documents. The final RP, approved by the PMO and ADB, will be disclosed through the RPMO Social Development Officer (SDO) and WUSCs to the DPs, community leaders, people's representatives, government agencies at district level and also will be published in local language to be published in the regional newspapers for its endorsement by the people for whom this has been prepared. For effective disclosure of the RP, a brief RP containing project impact and entitlement options, will be printed in local language other than English. A copy of the brief RP prepared for disclosure will be sent to ADB. The same will be printed in pamphlets and posted on prominent Government offices, ward council and WUSC offices and distributed among the APs.

62. During RP implementation phase, detailed procedural formalities for access to the entitlement benefits will be disclosed to APs. If physical displacement occurs, the relocation sites along with all infrastructural facilities will be disclosed to the APs. In case of income restoration, disclosure on skill development training programs and feedback on market survey of the products will be made. These disclosure activities will be the responsibility of the WUSCs, supported by environmental and social safeguards officer of PMO and SDO of RPMO.

63. The Regional Project Implementation Office (RPMO) and PMO will extend and expand the consultation and disclosure process during the detailed design and project implementation stage.

64. A Draft Project Information Disclosure (PID) leaflet is attached as Appendix 7. This pamphlet will be finalized and adjusted as relevant to the project site activities. It will be distributed to the affected communities during public consultations and posted publicly in various strategic places.

V. COMPENSATION, INCOME RESTORATION AND RELOCATION

A. Compensation

65. It is envisaged that land requirement for subproject towns will be minimal and wherever land is required effort will be made to identify Government owned land as much as possible. In absence of these lands, subject WUSC will search for landowners willing to sell land to Government, which will be directly purchased through negotiated settlement. This mechanism of direct purchase will provide the land owners an opportunity to negotiate directly with the government for a better price. Hence compensation for loss of land under this "Negotiated Settlement" procedure is compatible with ADB's policy of compensation at replacement cost.

66. The project will ensure that the properties (land, structure and non-structure assets) to be displaced for the project will be compensated at their full replacement cost. The principle for determining valuation and compensation for assets, incomes, and livelihoods is replacing the loss of affected assets and restoring the loss of income and workdays experienced by the displaced households. Livelihood rehabilitation assistance will target poor and vulnerable households.

67. This RF ensures compensation at replacement cost for all the displaced people /affected people (AP) of the project. Temporary loss of incomes of affected persons will be compensated based on replacement value of income losses. Preferential employment in project-related work will be offered to local people, with priority to vulnerable persons. APs will be provided 7 days advance notice, followed by a reminder 2 days before construction to ensure none or minimal disruption in livelihood. If required, they will also be assisted to temporarily shift for continued economic activity; for example, they will be assisted to shift to the other side of the road where there is no construction and then assisted to shift back, post-construction. Ensuring there is no income or access loss during sub-project construction is the responsibility of contractors. Consistent with the Environmental Management Plan, contractors will ensure access is maintained by making sure that space is left for access between mounds of soil, walkways and metal sheets provided to maintain access across trenches for people and vehicles where required, increased workforce is available to finish work in areas with impacts on access, timing of works is such that it reduces disruption during business hours and periods of peak business activities e.g. festivals, phased construction schedule is followed and work undertaken on one

segment at a time and one side of a road at a time. Compensation and assistance to APs must be provided prior to start of civil works.

68. The RP preparation/implementation costs, including compensation and all other entitlements, and administration costs, will be considered an integral part of Project budgets. The RPs will include sections detailing (i) all affected items/allowances compensation rates, (ii) valuation methodology so that compensation for all assets will be at current market value in the year of compensation and will be sufficient to replace the lost asset, and (iii) a budget for all expenses including compensation, administration costs and contingencies. All costs of land acquisition, compensation, resettlement, rehabilitation and monitoring will be borne by the Government.

69. In order to ensure that sufficient funds are available for land acquisition and resettlement tasks, the local governments will have to allocate 100% of the cost of compensation at replacement cost and expected allowances estimated in each RP plus contingencies before RP implementation. The EA will be responsible to ensure timely allocation of funds from the WUSCs to implement the RPs.

B. Replacement Value for Immovable Property

70. Valuation measures to be taken by the concerned DSMC in consultation with relevant government offices and WUSC are as follows:

- (i) Land: The replacement cost of land is to be determined through structured consultations with local landowners (and if available, local real estate agents);⁷ Valuation of land to be undertaken by DSMC in consultation with Land Revenue Department at district level and district chief of WSS, who will represent RPMO.
- (ii) Houses and Buildings. The value of the houses, buildings and other immovable properties of the DPs will be at the market price and will include the cost of labor and transfer of the construction materials. Depreciation value of the affected assets should not be taken into account.
- (iii) Seasonal Crops. If notice for harvest of standing seasonal crops cannot be given then valuation of lost standing crop at market value will be made. In addition to that one more year of loss crop at net income will be made. Compensation of loss crops will be paid for both permanent and temporary loss.
- (iv) Perennial Crops. Valuation for perennial crops to be calculated as annual net product value multiplied by number of productive years remaining. Department of Agriculture at district level will determine the valuation of crops.
- (v) Timber bearing Trees. Value will be based on the market price of timber and will be determined by the Forest Department (district level office).
- (vi) Fruit bearing Trees. Market value of products multiplied by no. of productive years remaining will be the basis of the valuation of fruit bearing trees. If the trees are yet to reach age of maturity for calculating economic value, cost of seedlings, saplings, agricultural inputs will be added to the compensation valuation. Valuation of fruit trees will be done by Department of Agriculture at district level.

⁷ Field visits and discussions with local communities reveal that in many of the small towns in Nepal, there have been no land transactions in the recent past (2-3 years). Hence, market price for land is difficult to determine through formal records. Government registered land price is very low and does not reflect the current situation. There are few or virtually no real estate agents active in and around the small towns. Hence, interviews of local landowners and if available, of local real estate agents, is the only method that can be used to determine market value.

C. Valuation of Other Assets

71. Compensation for the assets attached with land such as (wells, irrigation units, etc.) will be based on Replacement Cost, estimated through detailed market surveys. Appendix 5 provides a sample format for market survey. Displaced Persons will be given right to take all movable assets attached with land, such as irrigation pump sets, etc.

72. Apart from compensation for land, trees, crops, structures and other assets, assistance for loss of income and livelihood, will also be paid to the DPs as per Entitlement Matrix. All compensation and resettlement assistances will be paid to the entitled DPs prior to commencement of civil works. If any loan taken on such land/properties remains unadjusted the balance amount of loan will be deducted from the total compensation.

D. Income Restoration

73. The objective of income restoration activities is to ensure that no DP shall become worse off compared to pre-project status due to project. Accordingly, the Entitlement Matrix has the following provisions:

- (i) Business owner/tenants including farmers earning livelihood from crops and experiencing loss of income are entitled to one-time lump sum grant of two-month income based on the nature and type of losses assessed on a case-to-case basis.
- (ii) Employees losing income are entitled to one-time financial assistance equivalent to 60 days minimum wage rates in Nepal for respective categories.
- (iii) For vulnerable groups, additional subsistence allowance for restoring or enhancing their livelihood. Vulnerable households will be prioritized in any project employment

74. Those eligible for medium-term income restoration activities which include skill development training based on need include instances where no replacement land is available to continue livelihood activity (including sharecroppers, tenant farmers), those losing main source of livelihood, and vulnerable people.

75. Where necessary, training may include capacity building, enterprise training, and facilitating economic activities and training for self-employment. Training would be given by an identified training institute/agency/local resource persons for skill development and candidates assisted with finding jobs or setting up. Training will be imparted to any willing and able member of the household.

76. During the construction stage the APs, especially vulnerable APs, will be given preference over others for employment in project-related activities commensurate with their skills. In order to make the APs employable in project-related work, the DSMC will identify the required skills for construction and O&M activities and provide the required training to the APs. The contract document for the project shall include a provision for employment under the social requirements. Accordingly, the list of AP names, especially the severely affected APs and vulnerable groups will be provided to the contractor, for consideration in the project.

E. Relocation

77. The project will ensure the relocated DPs will be fully consulted for their relocation options and will receive all the assistance as detailed in the entitlement matrix of this RF. No

demolition of affected assets will be permitted before the relocation sites are ready for occupation. The PMO and RPMO social safeguards personnel will assist the relocation process and monitor the relocated DPs in their new relocation areas to ensure their livelihood condition will not be worse off.

VI. GRIEVANCE REDRESS MECHANISM

78. A project-specific grievance redress mechanism (GRM) will be established to receive, evaluate, and facilitate the resolution of APs' concerns, complaints, and grievances related to social and environmental issues of the project. The GRM will aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the project.

79. A common GRM will be in place for social, environmental, or any other grievances related to the project. The GRM will provide an accessible forum for receiving and facilitating resolution of affected persons' grievances related to the project. Appendix 8 has the sample grievance registration form. Every grievance shall be registered and careful documentation of process with regard to each grievance undertaken, as explained below. The environmental and social safeguards officer (ESO/SSO) at project management office (PMO) will have the overall responsibility for timely grievance redress on environmental and social safeguards issues. The Social Development Officer at the Regional Project Management Office (RPMO) will be the focal person for facilitating the grievance redress at VDC/Municipality level.

80. A town-level public awareness campaign will be conducted to ensure that awareness on the project and its grievance redress procedures is generated. The social safeguards expert of the project management consultant (PMC) and DSMC's safeguards specialists will support the WUSC and DSMC community mobilisers with information/collateral/awareness material etc. to conduct the town-wide awareness campaign. The campaign will ensure that the poor, vulnerable and others are made aware of grievance redress procedures and project's entitlements.

81. A Grievance Redress Committee (GRC) will be formed at VDC/Municipality level, comprising District Chief WSS as Chairperson and Member of Secretary of concerned WUSC as the GRC secretary. The GRC members will be comprise of (1) RPMO social development officer, (2) representatives of affected persons, (3) DSMC's safeguards specialist (social/environment as relevant), (4) a representative of reputable CBO/SHG/organisation working in the project area⁸, and (5) contractor's representative. The secretary of the GRC, who will be responsible for convening timely meetings and maintaining minutes of meetings. The concerned social safeguards expert of DSMC will support the RPMO SDO and Regional Director DWSS to ensure that grievances, including those of the poor and vulnerable are addressed. All GRCs shall have at least two women committee members. Representatives of APs, civil society and eminent citizens are to be invited as observers in GRC meetings.

82. The functions of the local GRC are as follows: (i) provide support to affected persons on problems arising from environmental or social disruption; asset acquisition (if necessary); and eligibility for entitlements, compensation and assistance; (ii) record grievances of affected persons, categorize and prioritize them and provide solutions within 15 days of receipt of complaint by WUSC; and (iii) ensure feedback to the aggrieved parties about developments

⁸ If the complaints are related with IP/dalits/other vulnerable groups, specific NGO/CBO that actively involved in development of these communities should be involved.

regarding their grievances and decisions of the GRC. The grievance redress mechanism and procedure is depicted in **Figure 4**.

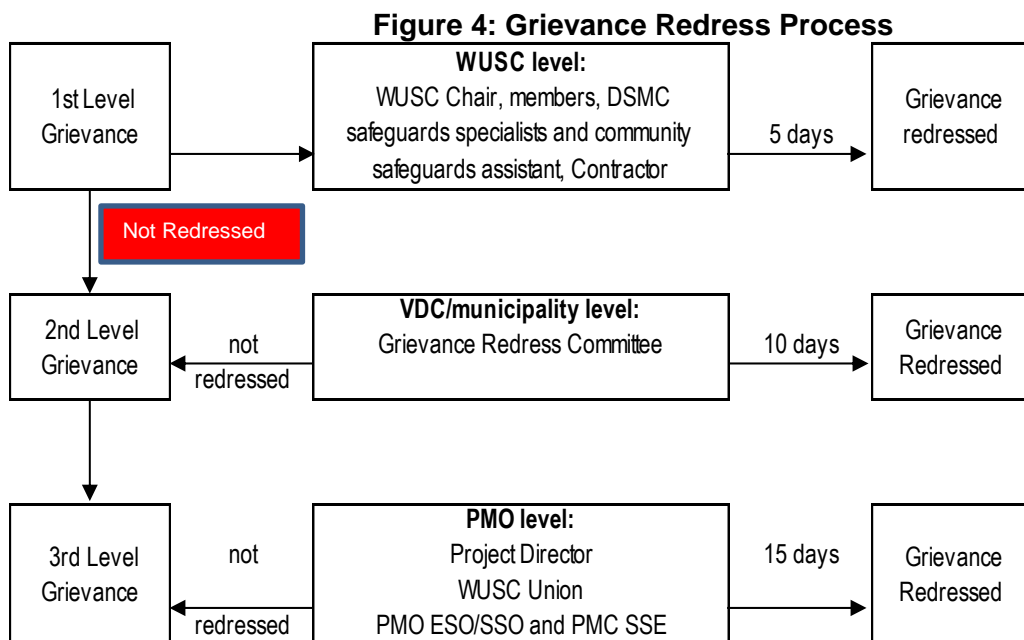
83. The GRM for the project is outlined below, with each step having time-bound schedules and responsible persons to address grievances and indicating appropriate persons whose advice is to be sought at each stage, as required:

- (i) **First Level of GRM** (WUSC-level): The first level and most accessible and immediate venue for quick resolution of grievances will be the contractors, DSMC field engineers and RPMO supervision personnel, who will immediately inform the WUSC. Any person with a grievance related to the project works can contact the Project to file a complaint. The WUSC clients will document the complaint within 24 hours of receipt of complaint in the field, and WUSC will immediately address and resolve the issue at field-level with the contractor, supervision personnel of WUSC clients and DSMC field engineers within 5 days of receipt of a complaint/grievance. The assigned DSMC social mobilizer will be responsible to fully document: (i) name of the person, (ii) date of complaint received, (iii) nature of complaint, (iv) location and (v) how the complaint was resolved. If the complaint remains unresolved at the local level within 5 days, the WUSC will forward the complaint issue to the VDC/Municipality level GRM.
- (ii) **Second Level of GRM** (VDC/Municipality level): The complainant will be notified by the WUSC clients that the grievance is forwarded to the VDC/Municipality - level GRM. The Grievance Redress Committee (GRC) will be called for a meeting. The GRC meeting will be called and chaired by the District chief of WSS. The GRC will recommend corrective measures at the field level and assign clear responsibilities for implementing its decision within 10 days of receipt of complaint by WUSC. If the grievance remains unresolved within 10 days of receipt of complaint by WUSC, the matter will be referred to the third level. The RPMO SDO will be responsible for processing and placing all papers before the GRC, recording decisions, issuing minutes of the meetings and taking follow up action to see that formal orders are issued and the decisions carried out.
- (iii) **Third Level of GRM** (PMO Level): Any unresolved or major issues at Municipality/VDC level will be referred to the PMO for final solution. The PMO's Project Director and WUSC Union representative will have special meeting to find solution. Decision has to be made within 15 days of receipt of complaint by WUSC. The Project Director will sign off on all grievances received by the PMO. The environmental and social safeguards officers (ESO & SSO) will be involved with support from the PMC Social/Environment Safeguards Experts. The Project Director will sign off on all grievances received by the PMO. The PMO Safeguard Officer will be responsible to convey the final decision to the complainant.

84. All paperwork (details of grievances) needs to be completed by the WUSC member secretary and circulated to the WUSC Chairperson and members. At VDC/Municipality level, the RPMO SDO will be responsible for circulation of grievances to the Regional Director, DWSS and other GRC members, prior to the scheduled meetings. The RPMO SDO will be responsible for follow-through of all escalated grievances. All decisions taken by the GRC and PSC will be communicated to the APs by the RPMO social development officer.

85. Despite the project GRM, an aggrieved person shall have access to the country's legal system at any stage, and accessing the country's legal system can run parallel to accessing the GRM and is not dependent on the negative outcome of the GRM.

86. In the event that the established GRM is not in a position to resolve the issue, the affected person also can use the ADB Accountability Mechanism (AM) through directly contacting (in writing) the Complaint Receiving Officer (CRO) at ADB headquarters or the ADB Nepal Resident Mission. The complaint can be submitted in any of the official languages of ADB's DMCs. The ADB Accountability Mechanism information will be included in the PID to be distributed to the affected communities, as part of the project GRM.



DSMC=design, supervision and management consultant; ESO = environmental and social safeguards officer; GRC = grievance redress committee; PD = project director; PMC = project management consultant; PMO = project management office; WUSC = water user and sanitation committee.

87. **Record keeping and disclosure.** Records at the town-level will be kept by the concerned WUSC Member Secretary, of all grievances received, including contact details of complainant, date the complaint was received, nature of grievance, agreed corrective actions and the date of the incident and final outcome. The number of grievances recorded and resolved and the outcomes will be displayed/disclosed in the PMO office, WUSC/municipal/VDC office, and on the web, as well as reported in the safeguards monitoring reports submitted to ADB on a semi-annual basis. For any grievance escalated to RPMO/VDC/Municipality level, the RPMO SDO will be responsible for record-keeping, calling of GRC meetings and timely sharing of information with WUSC. For grievances escalated to PMO and above, the PMO safeguard officers will be responsible for maintenance of records, sending copies to RPMO and WUSC for timely sharing of information with the person filing complaint.

88. **Periodic review and documentation of lessons learned.** The PMO social safeguard officer will periodically review the functioning of the GRM at WUSC level and VDC/municipality level and record information on the effectiveness of the mechanism, especially on the project's ability to prevent and address grievances. Indicators pertaining to grievance redress (no. of

grievances received, no. redressed/resolved to be reported by Member Secretary, WUSC to RPMO SDO, and by RPMO SDO to PMO ESO in monthly progress reports.

89. **Costs.** All costs involved in resolving the complaints (meetings, consultations, communication and reporting/information dissemination) at local (field/ward/town) level will be borne by the concerned focal organizations at each level: WUSC at town level; RPMO at regional level and PMO at central level. Cost estimates for grievance redress are included in resettlement cost estimates

VII. IMPLEMENTATION ARRANGEMENTS

A. Implementation Arrangements

90. **Executing and Implementing Agencies.** At the national level, the Ministry of Urban Development (MUD) will be the Executing Agency (EA) with responsibility for subproject execution delegated to Department of Water Supply and Sewerage (DWSS). A PMO will be established in DWSS.

91. DWSS will have overall responsibility for resettlement activity under the Project, which includes ensuring compensation paid to all APs prior to the award of civil contracts. Actual responsibilities for safeguards will lie in the Project Management Office (PMO) within DWSS to manage and ensure RP preparation and implementation.

92. **Project Management Office.** The PMO will be staffed with a social safeguards officer (SSO) who will receive support from social safeguards expert (SSE) of the DRTAC as well as the social safeguards specialist (SSS) of the DSMC. Key tasks and responsibilities of the PMO SSO on Involuntary Resettlement safeguards are as follows: (i) Confirm and review final RPs and that new RPs are prepared in accordance with the RF; (ii) Provide oversight on social safeguards aspects (avoidance and mitigation of impacts) of subprojects and ensure RPs are implemented on time by WUSC, Regional Project Management Offices (RPMO) and contractors; (iii) Establish a system to monitor social safeguards and gender aspects of the project including monitoring the indicators set out in the monitoring plan of RP; (iv) Facilitate and confirm overall compliance with project policy related to entitlements and compensation, as relevant; (v) Establish and implement the project GRM; monitor the activities of regional-level GRCs; (vi) Ensure that WUSCs pay all due compensation and assistance/allowances as per the RP prior to the award of civil contracts. (vii) Review, monitor and evaluate the effectiveness with which the RPs are implemented, and recommend necessary corrective actions to be taken as necessary; (viii) Consolidate monthly social safeguards monitoring reports from RPMOs and submit semi-annual monitoring reports to ADB; (ix) Ensure consultations with the affected people and timely disclosure of final RPs in locations and form accessible to the public; and (x) Address any grievances brought about through the Grievance Redress Mechanism in a timely manner.

93. **Regional Project Management Office (2):** Two Regional Offices of DWSS (East and West) will be the regional Project offices, which will carry out procurement and contract management with support from PMO. The RPMOs will depute required supervision personnel in the towns, who will be supported by design, supervision and management consultants (DSMC) field engineers. The Social Development Officers (SDO, 2) in the respective RPMOs will: (a) be responsible for extending support and assistance in RP updating, preparation and implementation; (b) act as the focal point for the Grievance Redress Committee, responsible for calling GRC meetings, prior provision of information on issues to be discussed at GRC meetings

to all GRC members and invitees, record of GRC meetings, follow-ups for decisions, record of escalated grievances to PMO and information dissemination to WUSC and complainants/APs; (c) monitoring of resettlement activity at town/WUSC level, (d) monitoring of GESI implementation; (e) monitoring of implementation of the project framework for inclusion of the poor and vulnerable, and (f) guidance to the WUSCs and DSMC social mobilisers in awareness generation and information dissemination regarding the project and resettlement activity. The RPMO SDO will be assisted by the WUSC member secretary in activities pertaining to grievance redress, and by the DSMC social mobilisers in all other resettlement, gender, poverty-targeting and inclusion activities and awareness generation.

94. The participating WUSCs will be supported by DSMC social safeguards specialist and DSMC social mobilisers. At the local level, WUSCs will work closely with the design and supervision consultants during design/RP preparation or updating stage, in identifying APs and alternative sites and reviewing the ownership status of such sites. WUSC will be responsible for procurement of suitable land for project-related works. When plot owners decide to negotiate directly with WUSC, WUSC will come to mutual agreement for land compensation and deliver all payments and assistance/allowances to APs (titled, non-titled, and vulnerable) as per the RP prior to award of civil works contract. WUSC will be responsible for RP implementation at local level. In case of land donation or negotiated purchase, WUSC will be responsible for appointing the third independent party, as per RF.⁹ WUSC will take corrective actions when necessary to ensure avoidance/minimization of IR impacts. WUSC will implement the local level project awareness campaign with the assistance of DSMC. It will disclose the project GRM to the affected communities; and address any grievances brought about through the project's Grievance Redress Mechanism in a timely manner.

95. WUSCs will involve Village Development Committees (VDCs) and municipalities, the urban local bodies, in the dissemination of RF and RPs to the public and seek any necessary support from them during RP implementation.

96. **Design Review and Technical Audit Consultants (DRTAC)** The DRTAC will have a social safeguards expert (SSE). The SSE will assist the PMO to implement and manage safeguards requirements and policy compliance of the project. The SSE will implement the capacity building program for PMO, RPMOs, project staff and contractors involved in project implementation on (a) ADB SPS (2009) and approved RF, (b) National law on involuntary resettlement (LAA, 1982) and other relevant regulations (c) core labor standards, (d) the roles of PMO, RPMO, DSMC and contractors on the project's GRM, public relations and ongoing consultations. The TOR of the SSE is provided in Appendix 9.

97. **Design, supervision and management consultants (DSMC).** The two regional DSMCs will have one Social Safeguards Specialist each at the RPMOs. The TOR of the DSMC SSS is provided in Appendix 9. The DSMC SSS will be supported by a team of social mobilisers; TOR for social mobilisers is also provided in Appendix 9.

98. **Civil works contracts and contractors.** The contractor will be required to designate a resettlement supervisor to (i) ensure compliance with RP and RF during civil works, to (ii) carry

⁹ The WUSC will engage an Independent third party (a party from the locality, with no direct interest in the negotiation process, who could be senior official of the local self-government, a leader of the community, NGO/CBO) in consultation with RPMO. The independent third party will keep a record of meetings, prepare minutes of meetings and be prepared to submit those if required. The minutes of the meetings will be recorded to maintain transparency and will be sent with a note on negotiated land price to PMO. The independent third party should ensure that balanced information is provided to both parties on the value of the affected land

out all mitigation and monitoring measures such as rebuilding of damaged structures/private property outlined in their contract, (iii) to register all grievances received by the contractor's field personnel and notify the DSMC social mobiliser about the same; (iii) resolve minor grievances and complaints received from people in consultation with the WUSC or DSMC social mobiliser.

99. The government will ensure that bidding and contract documents include specific provisions requiring contractors to comply with all: (i) applicable labor laws and core labor standards on (a) prohibition of child labor as defined in national legislation for construction and maintenance activities, on (b) equal pay for equal work of equal value regardless of gender, ethnicity or caste, and on (c) elimination of forced labor; and (ii) the requirement to disseminate information on sexually transmitted diseases including HIV/AIDS to employees and local communities surrounding the project sites.

B. Institutional Capacity Development Program

100. The safeguards personnel of project consultants (SSE of DRTAC, DSMC SSS, PMO SSO, RPMO SDO), contractor's safeguards personnel and other key project related staff of PMO and RPMOs, will be oriented and trained by ADB on ADB safeguards policy and the approved project RF; RP preparation and updation process; monitoring, reporting and disclosure requirements, roles of different stakeholders in safeguards implementation and GRM, envisaged consultation and participation process, reporting and monitoring requirements, core labour standards for contractors, typical implementation issues, and lessons learnt in safeguards implementation in the first and second small towns water supply and sanitation projects. The key focus area of the training program will be ADB resettlement policy and principles and the training will focus on the differences between the provisions of the ADB policy and GoN laws, as the awareness of these differences and the need to follow the provisions of the ADB policy are critical for successful implementation of RPs¹⁰.

101. The SSE of the DRTAC, assisted by regional DSMC SSS will be responsible for development of a training program based on a capacity assessment of target participants (DSMC community mobilisers, contractor(s), WUSC members), and for implementation of the training program to build capabilities on resettlement policy, planning, mitigation measures and safeguards. These will be jointly conducted by the SSE and the DSMC SSS. Basic principles of resettlement planning, avoidance of IR impacts and minimization measures with an emphasis on protection of the poor and vulnerable, access to project information and benefits by APs, grievance redress process and its importance, and monitoring shall be covered in the training.

102. Typical modules will be (i) sensitization to social safeguards, gender and vulnerability issues, (ii) resettlement planning and typical issues in implementation, (iii) introduction to social safeguards policy, including ADB policy, GRM, entitlements, compensation and social safeguards monitoring requirements and mitigation measures; (iv) monitoring and reporting on RP implementation, including monitoring methods and tools (v) core labour standards, including equal pay for equal work etc.

¹⁰ See the gaps identified between the GoN laws and ADB SPS in the table 1.

C. Implementation Schedule

103. All land acquisition, donation, negotiated purchase, resettlement, and compensation for each subproject will be completed before relocation. All land required will be provided free of encumbrances to the contractor prior to handing over of project site and start of civil works. RP implementation for each subproject will involve the following key steps: (i) identification of cut-off date and notification,¹¹ (ii) verification of losses and extent of impacts,¹² (iii) finalization of entitlements and distribution of identity cards, (iv) consultation with APs on their needs and priorities, and (v) resettlement, provision of compensation and assistance, and income restoration for APs. A typical schedule of activities for resettlement plan implementation following detailed design is given below:

Table 4: Typical RP Implementation Schedule

Activity No.	Typical activities in RP Implementation	Envisaged Schedule
0.	Detailed design	
1	Safeguard training and capacity building	Over a period of 3-4 months, after appointment of contractor and field level personnel of DSMC
2.	Conduct Detailed Measurement Surveys/business surveys/inventory of loss surveys**	1-2 months, depending on scope/scale of project
3.	Identification of Vulnerable APs for involvement/employment/inclusion	1-2 months; simultaneous to Activity 2
4.	Update draft RP with results of DMS Survey	Within 1 month of completion of DMS/inventory of loss surveys (Activity 1 and 2)
5.	Consultations and disclosure	Continuous activity, throughout resettlement planning, updation and implementation period
6.	Review and approval of RP (PMU and ADB)	Within 1 month of RP updation (Activity 4)
7.	Issuance of ID cards, as required	Within 1 month of RP approval (Activity 6)
8.	Issuance of notice to APs, as required	Within 2-3 months of RP approval
9.	Compensation prior to start of construction and assistance as required, including to vulnerable APs*	Compensation will be given prior to start of construction. Assistance will be continuous.
10.	Start of civil works	
11.	Internal monitoring, including surveys of APs on entitlements, satisfaction surveys	Continuous, through the period of RP implementation
12.	External monitoring, in case of significant impacts	Formulation, disclosure and approval of corrective action plan(s) prior to project implementation/start of civil works. Periodic monitoring, through the period of RP implementation.
13.	Repair/reconstruction of affected facilities, structures, connections, utilities if any	Immediately (after damage), in co-ordination with other departments, as required

Note: The Schedule is indicative and will be finalised for each RP. The RP for each project will be updated based on final detailed design and DMS/business surveys. Disclosure of final RP will be undertaken.

¹¹ The date of DMS/Census Survey will be the cut-off date for non-titled APs. For titled APs, the cut-off is the date of notification.

¹² Extent of losses will be determined through the 'Inventory of Loss' survey.

VIII. BUDGETING AND FINANCING

104. The resettlement cost estimate includes all costs related to resettlement including compensation, relocation, deed transfer costs, RP updating (including survey, DMS, census), consultation communication grievances redress, rehabilitation costs, cultivation disruption allowances, special assistance for vulnerable households, consultation, and costs of monitoring and evaluation. All compensation will be paid to APs by the WUSC, supported by RPMO and DSMC. APs will be compensated for all losses as per the RP before the award of civil contracts and PMO will verify whether compensation was paid and to the satisfaction of the AP. The resettlement cost in each RP will include a contingency of 15% of the total cost in order to adjust any deviation in the project implementation. Detailed budget estimates for involuntary resettlement will be prepared by DSMC for each RP. Details in the budget will include the full costs of each item.

105. Where the national law does not meet the replacement cost, this will be supplemented as necessary by WUSC. Replacement cost is based on market value before the project or dispossession, whichever is higher.

106. The WUSC will ensure that funds are delivered on time to the APs. Civil works contracts will not be awarded unless required compensation payment has been completed. However, income rehabilitation measures may continue and be completed even after civil works has begun. All land acquisition and resettlement assistance will be considered as an integral component of project costs. In cases where compensation is set by the CDC (when land is acquired) and the replacement value is lower than the prevailing market price, DSMC will verify the replacement value, and WUSC will pay the difference.

107. Table 4 shows the estimated budget for resettlement implementation for sub-projects identified in the 4 batch I towns of third STWSSSP.

Table 4: Summary Social Safeguards Costs for Third STWSSSP (in NPR)

Name of town	RP/DDR update	Additional community facilities/restoration of existing facilities	Other: compensation, communication, grievance redress, livelihood restoration	15 % contingency	Total
Mahendranagar	90,000	1,383,000	251,000	258600	1,982,600
Charali	30,000	-	100,000	19500	149,500
Chandrauta	30,000	-	100,000	19500	149,500
Total Resettlement Cost Sample Towns	1,50,000	1,383,000	451,000	297600	2,281,600
Estimated Resettlement Cost (17 towns)					15,847,400
IPP Cost (17 towns) @ 30% of resettlement cost					4,754,220
Total social safeguards costs (20 towns)					20,601,620

Note: An average RP cost per town is arrived at, based on the resettlement costs for the three sample towns, which offer different cases. Mahendranagar of use of CPR land and livelihood restoration to non-titleholders, while Chandrauta offers the case of a town where all facilities are proposed on government land or public RoWs. In Charali, negotiated land purchase is recently completed, hence its land cost and registration/transfer cost is taken into consideration in the computation of overall average resettlement cost per town. The average for the three sample towns offers a fair representation of the resettlement cost per town that may be anticipated in the remaining 17 towns. Since no impacts to IPs are assessed in the sample towns, 30 percent of resettlement cost is assumed for IPP preparation in the remaining 17 towns for the purpose of budgeting at this stage.

IX. MONITORING AND REPORTING

108. RP implementation will be closely monitored to provide the PMO with an effective basis for assessing resettlement progress and identifying potential difficulties and problems. Monitoring will be undertaken by the PMC and PMO. Monitoring will involve administrative monitoring to ensure that implementation is on schedule and problems are dealt with on a timely basis; socio-economic monitoring during and after any resettlement impact utilizing baseline information established through the detailed measurement survey of APs undertaken during project sub-preparation, and overall monitoring.

109. For subprojects activities under Batch I, no significant involuntary resettlement impacts are identified. As per ADB SPS, Appendix 2, the project social safeguards officer will be required to submit monthly progress reports, to be consolidated by RS of RDTAC to report the status of RP implementation under the project. The PMO will submit semi-annual monitoring reports to ADB for review and post all safeguard monitoring reports on ADB website. A sample monitoring template is given in Appendix 8.

A. Internal Monitoring

110. Internal monitoring (IM) will be carried out by the PMO with the assistance of Social Safeguards Expert of RDTAC. IM indicators will relate to process outputs and results, will be collected directly from the field, and will be reported monthly to the PMO to assess the RP implementation progress and adjust the work plan if necessary. These reports will be quarterly consolidated in the supervision reports for ADB. Specific IM benchmarks will be:

- (i) Information campaign and consultation with APs;
- (ii) Status of land acquisition and payments on land compensation;
- (iii) Compensation for affected structures and other assets;
- (iv) Relocation of APs;
- (v) Payments for loss of income;
- (vi) Selection and distribution of replacement land areas;
- (vii) Income restoration activities; and
- (viii) ensure the gender mitigation measures are adhered to during the internal monitoring and reporting process.

111. The above information will be collected by the PMO which will monitor the day-to-day resettlement activities of the project through the following instruments:

- (i) review of census information for all APs;
- (ii) consultation and informal interviews with APs;
- (iii) key informant interviews; and
- (iv) community public meetings.

B. External Monitoring

112. The project activities for sample towns do not have significant impacts on Involuntary Resettlement, thus no requirements for engaging external monitoring are assessed. However, in the event of significant involuntary resettlement identified for future subprojects, external monitoring (EM) will be carried out by independent party on regular basis, and its results communicated to the PMO and ADB by quarterly or semi-annual reports whichever is more efficient and practical. Indicators for EM tasks include:

- (i) Review and verify internal monitoring reports prepared by PMO,
- (ii) Review of the socio-economic and census and inventory of losses baseline information of pre-displaced persons;
- (iii) Identification and selection of impact indicators;
- (iv) Impact assessment through formal and informal surveys with the affected persons;
- (v) Consult APs, officials, community leaders for preparing review report;
- (vi) Assess the resettlement efficiency, effectiveness, impact and sustainability, drawing lessons for future resettlement policy formulation and planning;
- (vii) Ensure the gender mitigation measures are implemented.

113. The EM agency will also assess the situation of affected vulnerable groups such as female-headed households, indigenous peoples, disabled/elderly, the landless and families below poverty line. The following will be considered as the basic indicators in monitoring and evaluating the project:

- (i) Socio-economic conditions of APs in the post-resettlement period;
- (ii) Communications and reactions from APs on entitlements, compensation, options, alternative developments and relocation timetables etc.;
- (iii) Changes in housing and income levels;
- (iv) Rehabilitation of squatters, severely affected people, and different vulnerable groups;
- (v) Valuation of property;
- (vi) Ability to replace lost assets;
- (vii) Disbursement of compensation and other entitlements;
- (viii) Level of satisfaction of APs in the post resettlement period;
- (ix) Quality and frequency of consultation and disclosure; and
- (x) Conduct of grievance procedures.

114. Internal and external monitoring and reporting will continue until all LAR activities have been completed. External monitoring reports will be disclosed on the Project/ADB website. The TOR of external monitor is in the Appendix 11.

APPENDIX 1: INVOLUNTARY RESETTLEMENT IMPACTS SCREENING CHECKLIST

A. Introduction

1. Each subproject/component needs to be screened for any involuntary resettlement impacts which will occur or have already occurred. This screening determines the necessary action to be taken by the project team/ design consultants.

B. Information on subsection/section:

- a. District/administrative name: _____
- b. Location (km): _____
- c. Civil work dates (proposed): _____
- d. Technical description: _____

C. Screening Questions for Involuntary Resettlement Impact

2. Below is the initial screening for involuntary resettlement impacts and due diligence exercise. Both permanent and temporary impacts must be considered and reported in the screening process.

Involuntary Resettlement Impacts	Yes	No	Not Known	Remarks
Will the project include any physical construction work?				
Does the proposed activity include upgrading or rehabilitation of existing physical facilities?				
Will it require permanent and/or temporary land acquisition?				
Is the ownership status and current usage of the land known?				
Are there any non-titled people who live or earn their livelihood at the site or within the corridor of impact (COI)/right of way (RoW)?				
Will there be loss of housing?				
Will there be loss of agricultural plots?				
Will there be losses of crops, trees, and fixed assets (i.e. fences, pumps, etc.)?				
Will there be loss of businesses or enterprises?				
Will there be loss of incomes and livelihoods?				
Will people lose access to facilities, services, or natural resources?				
Will any social or economic activities be affected by land use-related changes?				
Are any of the affected persons (AP) from indigenous or ethnic minority groups?				If yes, please describe the situation

D. Involuntary Resettlement Impact

3. After reviewing the answers above, EA/safeguard team will confirm that the assigned/proposed project/subproject/ section:

has involuntary resettlement (IR) impact, so a resettlement plan (or corrective action plan) is required

has no IR impact, so no resettlement plan is required

Prepared by:	Verified by:
Signature:	Signature:
Name:	Name:
Position:	Position:
Date:	Date:

APPENDIX 2: OUTLINE OF A RESETTLEMENT PLAN

1. This outline is part of the ADB SPS Safeguard Requirements 2. 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

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

B. Project Description

3. 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. It includes a table with quantified data and provides a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

4. This section:

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

D. Socioeconomic Information and Profile

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

- (i) defining, identifying, and enumerating the people and communities to be affected;
- (ii) describing the likely impacts of land and asset acquisition on the people and communities affected, taking social, cultural, and economic parameters into account;
- (iii) discussing the project's impacts on the poor, indigenous, and/or ethnic minorities, and other vulnerable groups; and
- (iv) identifying gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

E. Information Disclosure, Consultation, and Participation

6. This section:
- (i) identifies project stakeholders, especially primary stakeholders;
 - (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
 - (iii) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
 - (iv) 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;
 - (v) confirms disclosure of the draft resettlement plan to affected persons, and includes arrangements to disclose any subsequent plans; and
 - (vi) 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

7. 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

8. This section:
- (i) describes national and local laws and regulations that apply to the project, identifies gaps between local laws and ADB's policy requirements, and discusses how any gaps will be addressed;
 - (ii) describes the legal and policy commitments of the executing agency for all types of displaced persons;
 - (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods, and sets out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided; and
 - (iv) describes the land acquisition process, and prepares a schedule for meeting key procedural requirements.

H. Entitlements, Assistance, and Benefits

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

I. Relocation of Housing and Settlements

10. This section:

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

J. Income Restoration and Rehabilitation

11. This section:

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

K. Resettlement Budget and Financing Plan

12. This section:

- (i) 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;
- (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items);
- (iii) 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; and
- (iv) includes information on the source of funding for the resettlement plan budget.

L. Institutional Arrangements

13. This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building programs, including technical assistance, if required;
- (iii) describes the role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- (iv) describes training programs.

- (v) describes how women's groups will be involved in resettlement planning and
- (vi) management.

M. Implementation Schedule

14. 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

15. 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.

APPENDIX 3: SAMPLE FORM FOR INVENTORY OF LOSS SURVEYS

1. Questionnaire N^o:
2. Date:
3. Name of the Subproject:
4. Name of the Place (s)/Village / settlement(s):
5. VDC/Municipality.....
6. District:
7. Region:
8. Parcel No/Plot N^o:.....
9. Type of loss: 1.Structure Only 2.Land only 3. Land & structure
 4. Orchard/Tree 5. Other's assts (please specify)
10. Ownership of the Land
 1. Private 2. Government 3. Religious 4. Community 5. Others
11. Type and Use of Land
 1. Paddy Field 2. Millet/Maize Field 3. High Land Cultivation 4. Plantation 5. No current Plantation
 6. Barren Land 7. Residential 8. Commercial 9. No use
12. Irrigation Facilities of Land
 1. Irrigated 2. Un irrigated
13. Area to be Acquired / Affected Land (Ropani/Bigha)
14. Total Area of the Land/ Plot (In case a portion of the land/ plot to be acquired/affected) (Ropani/Bigha)
15. Total Land Holding (affected + unaffected) in Ropani
 1. Irrigated: 2. Un-irrigated:
 3. Other: 4. Total:
16. Status of Ownership
 1. Titleholder 2. Customary Right 3. Trust/Guthi land
 4. Encroacher 5. Squatter 6. Other (specify):
 Type of Private Ownership
 1. Individual/Single 2. Joint/Shareholders 3. Other (specify):
17. Name of the Owner/Occupier (s):
18. Father's Name:
19. Rate of the Land (Rs./Per Acre)
 1. Market Rate: 2. Government Rate:
20. Any of the following people associated with the Land
 A. Agricultural Laborer 1. Yes 2. No
 Total Numbers (If Yes):.....
 Names (If Yes):
 (i).....
 (ii)
 B. Tenant/Lessee 1. Yes 2. No
 Total Numbers (If Yes):.....
 Names (If Yes):

(i).....

(ii)

C. Sharecropper 1. Yes 2. No

Total Numbers (If Yes):.....

Names (If Yes):

(i).....

(ii)

Agricultural Squatters 1. Yes 2. No

Total Numbers (If Yes):.....

Names (If Yes):

(i).....

(ii)

(iii)

21. Number of trees within the affected area

1. Fruit Bearing.....2. Non-fruit Bearing.....3. Timber.....4. Fodder.....Total.....

22. Details of Trees

SI No	Name of Trees	Type of Trees (1. Fruit Bearing, 2 Non-Fruit Bearing, 3. Timber 4. Fodder)	Age of the Trees	Number of Trees	Market price (Rupees)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					

23. Which crop do you cultivate in the affected land (start with ascending order as major crop)?

Type of Crops	Total Affected Area under Crop (Ropani/Bigha)	Total Yielding per Crop (Kg) in the affected area

24. How many seasons in a year you cultivate in the affected land

1. One season 2. Two seasons 3. Three Seasons
 Any structure in the Affected Land 1. Yes..... 2. No.....

25. Area of the affected structure (in Square Meter).....

26. Measurement of Affected Structure

a) Length

b) Width

c) Height

d. Number of Storey.....

27. Area of the boundary wall only (in Meter): a) Lengthb) Height

28. Area of the Total structure (in Square Meter).....

29. Measurement of Total Structure

a) Length

b) Width

c) Height

30. Scale of Impact on structure

a) 25% b) 50% c) 75% d) 100%

Type of Construction of the Structure

SI N ^o	Particulars	Type of Construction (1). Simple (thatch/sack/bamboo/slats, (2) Earth/clay/sand, (3) Wood, (4) Brick, (5), Concrete, (6) Corrugated iron sheet, (7) Tile, and (8) Other, specify
1	Roof	

2	Floor	
3	Wall	

31. Age of the Structure (in years):

32. Market Value of the Structure (in Rs.):

33. Use of the Structure (select appropriate code from below)

A. Residential Category

1. House 2. Hut 3. Other (specify).....

B. Commercial Category

4. Shops 5. Hotel 6. Small Eatery 7. Kiosk 8. Farm House
 9. Petrol Pump 10. Clinic 11. STD Booth
 12. Workshop 13. Vendors 14. Com. Complex
 15. Industry 16. Pvt. Office 17. Other (specify).....

C. Mixed Category

18. Residential-cum-Commercial Structure

D. Community Type

19. Community Center 20. Club 21. Trust 22. Memorials
 23 Other (specify).....

E. Religious Structure

24. Temple 25. Church 26. Mosque 27. Gurudwara 28. Shrines
 29. Sacred Grove 30. Other (specify).....

F. Government Structure

31. Government Office 32. Hospital/Health Post 33. School
 34. College 35. Bus Stop 36. Other(specify).....

G. Other Structure

37. Boundary Wall 38. Foundation 39. Cattle Shed
 40. Other (specify).....

34. Status of the ownership of Structure

1. Legal Titleholder 2. Customary Right 3. License from Local Authority

4. Encroacher

5. Squatter

35. Any of the following people associated with the Structure?

1. Yes

2. No

People associated	Yes/ No	If, yes Please give the number and names.	Lease / rent paid, if yes monthly rent	Employee, if yes. Monthly salary/ wage daily rate (NRs.)	Remarks
Tenants					
Employee in residential structure					
Employee in business structure					

36. Social Category

1. General 2. Ethnic Minority 3. IP/Janajati; 4. Others;

37. Number of family members Male..... Female..... Total.....

38. Number of family members with following criteria

1. Unmarried Son > 35 years.....2. Unmarried Daughter/Sister > 35 years.....

3. Divorcee/Widow.....4. Physically/Mentally Challenged Person

5. Minor Orphan.....

39. Vulnerability Status of the Household:

A. Is it a woman headed household with dependent? 1. Yes 2. No

B. Is it headed by physically/mentally challenged person? 1. Yes 2. No

C. Is it a household Below Poverty Line (BPL) 1. Yes 2. No

D. Is it landless? 1. Yes 2. No

E. Is it Elderly people without income source? 1. Yes 2. No

F. Is it Ethnic Minority Group? 1. Yes 2. No

40. Main Occupation of the Head of the Household (Main Source of Income)

1. Agriculture; 2. Commercial /business; 3. Service Holder; 4. Others (Specify).....

41. Total Annual income of the family from all sources Rs.....

42. Annual income (total turnover) per unit (ropani/bigha) from affected land in Rs. _____

43. Annual income (total turnover) from affected commercial structure, if applicable in Rs. _____

44. Annual cost of operation of the total landholding/business/commercial enterprise in Rs. _____ (please include labour cost and operating cost including fertilizer, pesticide, water, electricity, any other cost.)

45. If displaced, do you have additional land to shift? 1. Yes 2. No

46. If yes, how far from the present location (km).....

47. Resettlement/ Relocation Option

1. Self-Relocation 2. Project Assisted Relocation

48. Compensation Option for Land loser

1. Land for land loss 2. Cash for Land loss

49. Compensation Options for Structure loser

1. Structure for structure loss 2. Cash for Structure loss

50. Income Restoration Assistance (fill codes in preferred order)

1. Shifting Allowance; 2. Employment Opportunities in _____; 3. Training _____; 4. Training _____; 5. Training _____; 6. Others (specify _____)

51. Details of the Affected Persons (Family/Households)

Family Details

Sl. N ^o	Name of the Family Member	Relation to Head of the Household #	Age (years)	Sex ##	Occupation *	Marital Status**	Education***
1							
2							
3							
4							

5							
6							
7							
8							
9							
10							
11							

Code: # 1. Self 2. Father 3. Mother 4. Husband 5. Wife 6. Son 7. Son in law 8. Daughter in law 9. Grandfather 10. Grandmother 11. Daughter 12. Brother 13. Sister 14 Grandson 15. Granddaughter 16. Uncle 17. Aunty 18.Cousins

1. Male 2. Female

***** 1. Service 2. Business 3. Agriculture 4. Study 5. Housewife 6. Labour 7. Unemployed 8. Professional 9. Pensioner 10. Government Employee 11. Private Employee 12 Fisheries 13 Infant 14 Other

****** 1. Married 2. Unmarried 3. Widow 4. Widower 5. Others

******* 1. Illiterate 2. Literate 3. Up to primary 4. Secondary 5. Graduate 6. Post Graduate

(NOTE FOR ENUMERATOR: All affected persons to be surveyed. If details of tenants / employees are obtained from the owners, such persons will also have to be located and surveyed using applicable fields in the above questionnaire).

APPENDIX 4: CHECKLIST FOR SURVEY OF AFFECTED BUSINESSES

Date of Survey				Serial No:
Name of affected person				
Father's/mother's name				
Address /location				
Type of the affected business	<input type="checkbox"/> Permanent	<input type="checkbox"/> Semi-permanent	<input type="checkbox"/> Hawker/movable	
Type of merchandise	<input type="checkbox"/> Fruits and vegetables	<input type="checkbox"/> Food	<input type="checkbox"/> Books/stationery	
	<input type="checkbox"/> Clothes	<input type="checkbox"/> Shoe repair	<input type="checkbox"/> Others (Specify) _____	
Status of ownership	<input type="checkbox"/> Owner		<input type="checkbox"/> Tenant	
Since when has the person operated in that location?				
Frequency of operating in a week	<input type="checkbox"/> Every day	<input type="checkbox"/> Most days	<input type="checkbox"/> 1-2 days per week	
	<input type="checkbox"/> Less than 1 day per week	<input type="checkbox"/> Seasonal (Specify) _____	<input type="checkbox"/> Others (Specify) _____	
Person/s employed, if any	No:			
Rent per month, if any	Tk.			
Average profit per day	Tk.			
Will the person be affected?	<input type="checkbox"/> Yes		<input type="checkbox"/> No	
Type of vulnerability/distress	<input type="checkbox"/> None		<input type="checkbox"/> BPL	<input type="checkbox"/> Disabled
	<input type="checkbox"/> WHH		<input type="checkbox"/> Minority/child worker	<input type="checkbox"/> Others (Specify) _____
Date when work will start on road				
Permanent structure/s present?	<input type="checkbox"/> Yes		<input type="checkbox"/> None	
Use of permanent structure	<input type="checkbox"/> Boundary wall/s	<input type="checkbox"/> Residential	<input type="checkbox"/> Commercial/business	
If structure is present, type of ownership	<input type="checkbox"/> Owner		<input type="checkbox"/> Rental How much per month? _____ Tk.	
Document prepared by:	Supervised by:		Document checked by:	

BPL=below poverty line; WHH=woman-headed household/woman as chief wage earner

APPENDIX 5: SAMPLE FORM FOR MARKET SURVEY

Area Code					
Form No.					

Ministry of Urban Development, Government of Nepal

Note: Market surveys will be conducted using this questionnaire, which will be administered on local people (minimum of 20 people for each item) living in and around project sites where impacts are anticipated.

Land valuation Survey Form

Only for land affected VDC/Municipality

1. Identity of Respondent

Name _____

Name of Father/Husband _____, Occupation _____

Village: _____, P.S.: _____

2. Have you purchased land during last one year?

If answer is yes:

 No

a) Date _____

b) Location of land (VDC/Municipality, Plot No.) and Category _____

c) Amount of land (ropani/bigha/katha/dhur specify)

d) Purchase value of land (except stamp duty and other expenditure) NPR:

3] Have you sold any land during last one year?

If answer is yes:

 No

a) Date _____

b) Location of land ((VDC/Municipality, Plot No.) and Category _____

c) Amount of land () d) Sale value of land (except stamp duty and other

expenditure) NPR:

4] What is the market price of different categories of land mentioned below according to your knowledge?

Sl#	Description of categories	Location of land (VDC/ Municipality)	Current market price (Per ropani/bigha/kat ha)	Comments
1.	Homestead			
2.	High land			
3	Low land			
4.	Single crop/unirrigated			
5.	Double crop, specify rates for irrigated or unirrigated			
6.	Multi crop			
7.	Orchard			
8.	Fallow land			

9.	Others (Please specify type)			
----	------------------------------	--	--	--

Name & signature of Respondent _____

Area Code				
Form No.				

Tree Valuation Survey Form

What are the present market prices of the following trees according to your knowledge?

Sl#	Name of tree	Market price of tree (as per age)				Comments
		Big	Medium	Small	Sapling	
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
16.						
17.						
18.						
19.						
20.						
21.						
22.						
23.						
24.						
25.						

Name & Signature of Respondent _____

Area Code				
Form No.				

Structure Survey Form

Sl. #	Particular of Structure			Measurement of Structure		Replacement value	Comments
	Roof*	Wall*	Floor*	Quantity	Unit, specify (e.g. sft/cft/No.)		
1							
2	Hand tube well / hand pump						
3	Deep tube well						
4	Well						
5	Drain						
6	Fencing by wood/bamboo						
7	Fencing by Tin						
8	Boundary Wall (Brick)						
9	Other, specify						
10							
11							
12							

Name & Signature of Respondent

APPENDIX 6: PROCEDURES AND ELIGIBILITY OF LAND/ASSETS DONATION PROCEDURES

Background

Given to Nepal's tradition and that most local people may be willing to voluntarily donate part of their land for water supply facilities and small-scale rural infrastructure that provide direct benefits to the community, the Project will also continue to some extent the land donation tradition within the community. However, adequate process and safeguards will be built into subproject RPs to ensure that the voluntary land donation is unforced and it doesn't lead to impoverishment of DPs

Procedures and Eligibility

- (i) Full consultation with DPs and communities on selection of sites and appropriate design to avoid/minimize additional land take and resettlement effects;
- (ii) As a first principle, DPs will be informed of their right to entitle compensation for any loss of their property (house, land, and trees) that might be caused by the project construction, and the land donation might be accepted only as a last option;
- (iii) Full recognition of, and respect of, community choice between compensation and donation through community consultation meetings reported in the walkthrough Survey Reports;
- (iv) No one will be forced to donate their land and DPs will have the right to refuse land donation proposal from EA;
- (v) In case DPs are directly linked to project benefits and thus are willing to voluntarily donate their land after they are fully informed about their entitlement, the project will assess their socio-economic status and potential impact of land donation and accept land donation only from those DPs who do not fall below the poverty line after the land donation (Note: the land donation will be limited to 10% of total land holding);
- (vi) Any voluntary land donation (after the process as mentioned above) will be confirmed through a written record, including a "no coercion" clause verified by an independent external party;
- (vii) The donation will be limited to only land and minor assets (houses and major assets will be excluded from donation);
- (viii) No DP categorized as poor and vulnerable households are eligible to give donation for their affected assets;
- (ix) The donation activities will not cause any physical and/or economic displacement of the (formal/informal) land users; and
- (x) A Grievance Redress Committee (GRC) will be set up; and DPs who are not satisfied with the land donation can file their complaint with the GRC.

SAMPLE VOLUNTARY CONTRIBUTION CONSENT FORM

Government of Nepal,
Land Revenue Office,
[INSERT NAME] District
[INSERT NAME] Village

CERTIFICATE OF LAND TRANSFER

I, [INSERT NAME, AGE, OCCUPATION], with residence located in [INSERT NAME] village, [INSERT NAME] district

Certify that I have been previously informed by local authority of my right to entitle compensation for any loss of property (house, land and trees) that might be caused by the construction of ([INSERT NAME]) financed under the Second Rural Infrastructure and Income Uplifting Project in [INSERT NAME] district.

I confirm that I voluntarily donate the land of [INSERT AMOUNT LOSS] square meters located in [INSERT NAME] village ([INSERT NAME] district) to the Project construction. I also confirm that I do not request any compensation of loss of [INSERT OTHER LOSSES SUCH AS TREES] and would request the local authority to consider this as my contribution to the project.

Type of Loss	Area (sqm)	Number / Quantity	Unit Rates	Total	Comment
Land					
Tree					
Total					

Therefore, I prepare and sign this certificate for the proof of my decision. Further, I certify that I have given my consent without any force/coercion from anybody, including project authorities.

[INSERT NAME] district
[INSERT DATE]
The owner of the land
[INSERT NAME AND SIGN]

Witnesses:

1. [INSERT NAME]
2. [INSERT NAME]
3. [INSERT NAME]

Certified by the [INSERT NAME OF INDEPENDENT THIRD PARTY], [NAME AND SIGN]

This form will be translated in Nepalese Language for implementation purpose

APPENDIX 7: DRAFT PROJECT INFORMATION DISCLOSURE (PID) LEAFLET ¹³

A. Background

The third Small Towns' Water Supply and Sanitation Sector Project aims to continue to improve water supply and sanitation provision in small towns and emerging urban areas of Nepal. The third STWSSSP builds upon lessons learnt from implementation of the first and second STWSSP and aims to extend improved water supplies and sanitation to around 15 small towns / subprojects. Ten of these subprojects are newly identified, while others are held over from the previous projects. Remedial or extension works in towns previously covered by the first two projects are also candidate subprojects. The third STWSSSP aims to strengthen the overall effectiveness of project 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) improved institutional capacity and project implementation platform; and (iii) improved financing mechanism for future investments. The Project will also strengthen Government of Nepal's efforts to meet its millennium development goals.

The third STWSSSP uses a sector lending modality. Subprojects are divided into batches. The sample towns proposed to be covered first are Charali, Chandrauta and Mahendranagar. A total of up to 20 towns will be covered under the third STWSSSP.

B. Subproject description

Subproject components proposed in sample towns Charali, Mahendranagar, Chandrauta are for improvement, upgrading and construction of new drinking water schemes. Proposed subprojects in Charali, Jhapa district include the construction of storage tank (1), treatment unit (1), boreholes (2), transmission main (300 meter), distribution pipe (57.412 km), and 2,565 household connections for water. Proposals for improved sanitation in Charali comprise 255 private toilets through output based aid (OBA), construction of a new public toilet facility in the Sunday market area (Aitabare Haat Bazar) and a septage management facility in community forest land

Similarly, major components of water supply subproject in Mahendranagar, Sunsari district include 1 storage tank, 2 boreholes, 1 treatment unit, 2090 yard connections, 21 institutional connection and 5437 household connections. The total length of the transmission main will be 0.945 km and the distribution network will be 110.67 km. Under sanitation, 1,757 private toilets under Output Based Aid (OBA) and a septage disposal site of approximately 400 m² is proposed in Mahendranagar.

Another subproject proposed in Chandrauta, Kapilbastu district includes the rehabilitation of existing OHT, guard house and office building and construction of 2 new bore holes, 1 treatment plant for ground water system, guard quarter, boundary wall, 2 generator and dosing pump houses and 1133 house connections. Under sanitation improvements, 247 private toilets under OBA, 1 public toilet near the haat bazar and a septage management facility (120 m²) are proposed in Chandrauta.

¹³ The Draft PID Leaflet is prepared for sample towns and will need to be prepared/updated for other towns on similar lines as and when they are taken up.

C. Policy and Principles

The project's involuntary resettlement policy is defined in its Resettlement Framework, which has details on steps to be followed in resettlement implementation, entitlements, compensation, grievance redress procedures etc. Resettlement Plan (RP) has been prepared for sample subprojects in Mahendranagar town, based on applicable legal and policy frameworks of the government, namely the Land Acquisition Act 1977 and ADB's Safeguards Policy Statement (SPS), 2009. For Charali and Chandrauta, land acquisition and resettlement due diligence reports are prepared as involuntary resettlement impacts are negligible.

D. Involuntary Resettlement impact

Minor IR impacts are envisaged under the proposed subproject components of sample towns of 3rd STWSSP. The scope of land acquisition and resettlement is identified based on field visits to each identified site and/or alignment; to be updated when the remaining sites/alignments are identified. Larger parcels of land required for the subprojects have either been already purchased through negotiation and transferred in the WUSC's name or belong to government. No further private land purchase is anticipated. No structures are likely to be affected partially or fully. Some temporary cultivation disruption and income losses from agriculture are envisaged.

E. Entitlement

The project provides for compensation of all potential losses including potential income losses for the affected persons at replacement value. All economically displaced households and persons will be entitled to a combination of compensation packages and resettlement assistance, depending on the nature of ownership rights on lost assets, scope of the impacts including socioeconomic vulnerability of the displaced persons, and measures to support livelihood restoration if livelihood impacts are envisaged. The displaced persons will be entitled to (i) compensation for loss of crops at the replacement value; (ii) compensation for loss of income from the agricultural production; (iii) livelihood vocational training for each head of the affected family. A budgetary provision of NPR 2,06,01,620 for resettlement implementation for sample towns is made. Both title-holders and non-titleholders among displaced persons (DP) are eligible for compensation and/or assistance.

F. Institutional Arrangement

MUD/DWSS will be the EA/IA for the project; a PMO will be established in DWSS, Kathmandu. Two regional PMOs for Eastern and Western zone will be set up at DWSS regional offices. The participating WUSCs will be the IAs. A social safeguards officer will be appointed in PMO; the RPMOs will have social development officers. The PMO SSO will be supported by the social safeguards expert of PMC. The respective RPMOs will be supported by a design, supervision and management consultant (DSMC) each; social safeguards specialists (1 in each DSMC) and social mobilisers (5 in each DSMC) will support implementation of GESI, RPs/social safeguards, grievance registration, redress and follow-up actions, identification of poor and vulnerable households for subsidized water supply connections and OBA for sanitation.

G. Grievance Redress Mechanism (GRM)

To resolve all project related grievances and complaints a common social and environmental grievance redress mechanism will be in place. Common and simple grievances will be sorted out at project site level by the Contractor's Resettlement Supervisor, supervision and safeguards staff of DSMC within 5 days, with the involvement of the WUSC as required. Any unresolved grievances will be forwarded to the town-level Grievance Redress Committee GRC which will have affected persons and civil society/ eminent citizens as members. Complaints and grievances which are not addressed by Grievance Redress committee (GRC) at VDC/municipality level within 10 days will be sent to the PMO for resolution within 15 days. Despite the project GRM, an aggrieved person shall have access to the country's legal system at any stage. **Contact details**

Organisation	Name	Position	Address and phone numbers
Contractor		Safeguard supervisor	
DSMC		Social mobilisers Social Safeguard Specialist	
PMO		Social Safeguard Officer	
RPMO		Social Development Officer	
PMC		Social Safeguard Specialist	

APPENDIX 8: SAMPLE GRIEVANCE REDRESS FORM

(To be available in Nepali and English)

The _____ Project welcomes complaints, suggestions, queries and comments regarding project implementation. We encourage persons with grievance to provide their name and contact information to enable us to get in touch with you for clarification and feedback. Should you choose to include your personal details but want that information to remain confidential, please inform us by writing/typing *(CONFIDENTIAL)* above your name. Thank you.

Date		Place of registration			
Contact Information/Personal Details					
Name		Gender	* Male * Female	Age	
Home Address					
Place					
Phone no.					
E-mail					
Complaint/Suggestion/Comment/Question Please provide the details (who, what, where and how) of your grievance below:					
If included as attachment/note/letter, please tick here:					
How do you want us to reach you for feedback or update on your comment/grievance?					

FOR OFFICIAL USE ONLY

Registered by: (Name of Official registering grievance)	
Mode of communication: Note/Letter E-mail Verbal/Telephonic	
Reviewed by: (Names/Positions of Official(s) reviewing grievance)	
Action Taken:	
Whether Action Taken Disclosed:	Yes No
Means of Disclosure:	

APPENDIX 9: TORs FOR SOCIAL SAFEGUARDS PERSONNEL IN RDTAC AND DSMC

I. TOR for social safeguards expert RDTAC (12 person months, intermittent input)

The RDTAC will have a Social Safeguards Expert (SSE), who will assist the PMO and RPMOs to implement and monitor safeguards requirements and policy compliance of the project.

Qualifications and Experience

The SSE should have a Master's degree in social sciences or related field and minimum experience of 10 years in social safeguards planning and implementation in multi-lateral aided projects in Nepal.

Key Tasks

The PMC SSE will be responsible for the following tasks:

- (i) Assist the PMO SSO and RPMO in coordinating all social safeguards issues and ensuring that the project complies with Government and ADB social safeguards policies;
- (ii) Supervise updation of the draft RP based on detailed designs and submit to PMO and ADB for review and clearance prior to construction;
- (iii) Organize (along with DSMC SSS) training workshops (semi-annual/annual, through-out project period) for MUD, DWSS officials (PMO, RPMO and others) involved in project implementation, participating WUSCs, contractors, on ADB / Government of Nepal policy, RP implementation and mitigation measures, issues in safeguards implementation, sensitization on gender and vulnerability etc., best practices and experience sharing;
- (iv) Support PMO in monitoring resettlement implementation to ensure that it is consistent with Government and ADB policies, as agreed in the Resettlement Plan for the project by the Government and ADB;
- (v) Work in close coordination/provide guidance to all social safeguards personnel of PMO, RPMOs, DSMCs on social safeguards related work; Ensure through regular review, inclusion of poor, vulnerable including IPs, dalits and women APs in project benefits;
- (vi) Support the PMO in grievance redress in a timely manner as per the RP;
- (vii) Support the PMO in overall monitoring of safeguards planning and implementation;
- (viii) Provide templates for monthly reporting on social safeguards to RPMOs/DSMCs; assist the PMO in review of monthly progress reports on social safeguards by RPMO/DSMC;
- (ix) Prepare semi-annual safeguards monitoring and compliance reports for submission to ADB.
- (x) Support PMO in timely disclosure and dissemination of safeguards-related information and reports, including information related to grievance redress;

Deliverables:

Semi-annual Progress Reports on social safeguards

II. TOR for social safeguards specialist of DSMC (15 person months, intermittent input)

Each DSMC will have a Social Safeguards Specialist, whose main responsibilities will be RP preparation and updation, supervision of RP implementation during civil works, preparation of monthly progress reports on social safeguards the PMO. The DSMC SSS will be mobilized only when the technical team of DSMC is mobilized; inputs, field visits and deliverables of DSMC SSS will be synchronized with those of the technical team.

Qualifications and Experience

The SSS should have a Master's degree in social sciences or related field and minimum experience of 5 years in social safeguards planning and implementation in multi-lateral aided projects in Nepal.

Key tasks:

The DSMC Social Safeguards Specialist (SSS) will have the following major tasks:

- (i) During the detailed design phase, review the Resettlement Plan prepared during the PPTA and revise in the light of detailed designs; submit to PMO and ADB for review and approval prior to construction;
- (ii) Conduct DMS/inventory of loss surveys as required prior to displacement in sections ready for construction, determine number of APs/vulnerable APs and coordinate valuation and finalization of compensation with the PMO ESO and PMC RS;
- (iii) During the construction phase, supervise implementation and compliance of Resettlement Plan or any other social development issue identified during feasibility study/detailed design phase in co-ordination with RPMO SDO, WUSCs and other stakeholders;
- (iv) Organize training of RPMO SDO, WUSC and contractors on safeguards and gender policies and issues, in coordination with PMC RS;
- (v) Support the RPMO in grievance redress as required; support and build capacity of RPMO SDO on monitoring and reporting;
- (vi) The DSMC SSS will coordinate and provide assistance to WUSC, who will implement the RPs.
- (vii) The DSMC SSS will supervise all field level social safeguards related work undertaken by the DSMC social mobilisers.

Deliverables:

Resettlement Plans (RP)/updated RPs

Monthly Progress Reports on social safeguards

III. TOR for social mobilisers of DSMC (30 person months, full time)

The DSMCs will appoint 5 social mobilisers each to undertake beneficiary identification, awareness generation, and ensure field-level compliance of project safeguards framework and RPs. The social mobiliser's responsibilities will be to ensure identification, inclusion and safeguards for poor and vulnerable APs, including IPs, dalits, BPL and women.

Qualifications and Experience

The DSMC social mobilisers should have a minimum qualification of intermediate level or 10+2 pass with minimum 3 years of experience in use of participatory appraisal techniques and social mobilization work related to water supply and sanitation. Knowledge of local language is mandatory. Women candidates with required qualifications and experience will be preferred.

Key tasks

The social mobilisers will be responsible for the following key project activities:

- (1) community mobilization and participation in project activities;
- (2) identification of eligible beneficiaries (poor and vulnerable households) for OBA for sanitation and subsidies for water supply through participatory appraisal, to ensure their inclusion in project benefits; sharing of list of identified beneficiaries with the contractor in accordance with the Framework for Inclusion of Poor prepared for the 3rd STWSSSP;
- (3) implementation of the GESI Action Plan;
- (4) awareness generation on the project and its benefits, subsidies available, employment opportunities, health and hygiene issues;
- (5) assist the people to lodge grievances, ensure that the voices of the poor are heard at the concerned forum and follow up for timely decision at WUSC/town-level
- (6) maintain a record of grievances received, resolved and forwarded to GRC.
- (7) Follow up to ensure timely compensation to affected persons; facilitate employment of APs/local poor and vulnerable in project-related jobs; support the APs for livelihood training and income generating activities, as required.

Deliverables:

List of beneficiaries in each town for water supply and sanitation

APPENDIX 10: SAMPLE MONITORING TEMPLATE

1. A semi-annual monitoring report shall be prepared on Resettlement Plan implementation and submitted to ADB by the PMO. It will include: (1) **the list of APs**, with compensation, if any due to each and details of compensation paid with signed receipts annexed to the report, socio-economic status and satisfaction levels of APs with the RP implementation process, compensation and mitigation measures; (2) **the list of vulnerable APs** and additional compensation / special protection measures planned/implemented for them; socio-economic status and satisfaction levels of vulnerable APs with the RP implementation process, compensation and mitigation measures; (3) **list of affected common facilities** affected, plan to restore access and/or actions taken to restore access to the same or facilities of equal quality elsewhere; (4) **list of roads for closure** and actions planned / taken to minimize disturbance; (5) **details of consultations held with APs** (with number of participants by gender, issues raised, conclusion / agreement reached, actions required/taken); (6) **details of grievances** registered, redressed, outstanding complaints, minutes of GRM meetings held; (7) **details of information disclosure** and awareness generation activities, levels of awareness among target population and behavior change, if any; and (8) **any other relevant information** showing RP implementation progress. The following checklist may be used for overall monitoring of RP implementation.

S. N.	Resettlement Plan Activities	Completed Y/N	Remarks
A. Pre-Construction Activities and Resettlement Plan Activities			
1	Approval of final Resettlement Plan by ADB prior to contract award		
2	Disclosure of final Resettlement Plan on ADB and EA websites		
3	Circulation of summary RP in two local languages to all stakeholders		
I. Resettlement Plan Implementation			
1	Grievance Redress Committee and telephone hotlines established		
2	Entitlements and grievance redress procedure disclosed		
3	Finalization of list of APs, vulnerable APs and compensation/assistance/allowances due		
4	Finalization of list of affected common facilities and roads for closure; mitigation measures proposed		
5	Affected persons received entitlements as per amounts and program specified in RP		
6	Payment of compensation, allowances and assistance (No. of APs)		
7	Additional assistance for vulnerable households given (No. of vulnerable APs)		
8	Livelihood arrangements provided to vulnerable APs		
9	Reinstallation of affected common facilities		
10	Grievances No. of grievances registered No. of grievances redressed Outstanding complaints Disclosure of grievance redress statistics		
11	Consultation, participation and disclosure as per Plan		
C. Monitoring			
1	Survey on socio-economic status of APs (including vulnerable APs) completed and compared with baseline survey results		
2	Survey on satisfaction levels of APs with RP implementation completed		
D. Labor			
1	Implementation of all statutory provisions on labor like health, safety, welfare, sanitation, and working conditions by Contractors		
2	Equal pay for equal work for men and women		

NOTE: Where applicable, the information provided in the table should be supported by detailed explanatory report, receipts and other details.

APPENDIX 11: TERMS OF REFERENCE FOR EXTERNAL MONITOR

A. Objective of Monitoring

1. Monitoring and Evaluation are important activities of Resettlement Plan (RP) implementation as that can address to compliance of the agreement outlined in the Plan and particularly fulfillment of objective of ADB's Policy of Involuntary Resettlement. The main task of the monitoring and evaluating agency would be to carry out impact assessment of RP implementation and accordingly lay down process documentation. The agency will ensure the achievement of the resettlement goal, livelihood and living standards of the physically displaced families' pre and post relocation and will also ensure recording of DP's view on resettlement, compensation, and grievance redress procedure. It will also evaluate the progress of the rehabilitation process. In case of economical displacement, post resettlement economic standard of the displaced families, particularly of the vulnerable groups, will be critically appraised.
2. The agency should also identify the best practices and factors responsible for the success of the implementation of RP, and simultaneously, the factors responsible where matters related to R&R are not been successfully implemented.

B. Scope of Work

3. The key activities to be focused during external monitoring are as below.
 - (i) Verify and review internal monitoring reports prepared by the project.
 - (ii) Comparative study between pre and post relocation.
 - (iii) Identification and selection of impact indicators.
 - (iv) Impact assessment through methods discussed in the next section.
 - (v) Assess the efficiency, effectiveness, impact and sustainability of the resettlement procedures.
 - (vi) To help in future resettlement policy formulation and planning.

C. Methods:

- (i) Key informant interviews: with select local leaders, community representatives, pourashava officials about resettlement activities and implementation.
- (ii) Focus group discussion: on specific topics on compensation, services at resettlement areas, income restoration, gender to be discussed in groups of DPs.
- (iii) Structured direct observations: field observations on status of resettlement implementation, individual and group interviews.
- (iv) Case studies: on DPs or communities from various social classes to assess impact of resettlement.

D. Reporting

4. An inception report describing the work plan, time frame and resettlement site visit must be provided within a fortnight after the contract is signed. The external monitoring agency will submit half yearly reports during project implementation. External monitoring will verify the results of internal monitoring, and evaluate whether the objectives of the plan are being met. The external monitor will submit reports to ADB and the PMU. One completion report will be prepared after RP implementation is complete. The completion report will consist of evaluation

of RP implementation, its efficacy and whether resettlement objectives are met with. The report will advise on improvement means of RP implementation.

E. Necessary Qualification of the Evaluating Team

5. The Agency, carrying out the evaluation work, must be a team of professionals with prior experience in the field of Resettlement and Rehabilitation. The team must have the ability to hold discussions both with the decision makers and at the grass-root level.

APPENDIX 12: OUTLINE OF SOCIAL SAFEGUARDS MONITORING REPORT DURING PROJECT IMPLEMENTATION

1. Following requirements of the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as A or B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit semiannual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (IR and IP) and with the current status of project implementation phase.

2. This outline can be used for periodic monitoring report (semiannual) and RP/IPP completion report to start the civil works in the impacted areas. A safeguard monitoring report may include the following elements:

A. Executive Summary

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

B. Background of the Report and Project Description

4. This section provides a general description of the project, including:

- (i) Background/context of the monitoring report which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts.
- (ii) Information on the implementation progress of the project activities, scope of monitoring report and requirements, reporting period, including frequency of submission and changes in project scope and adjusted safeguard measures, if applicable
- (iii) Summary table of identified impacts and the mitigation actions.

C. Scope of Impacts

5. This section outlines the detail of

- (i) Scale and scopes of the project's safeguards impacts,
- (ii) Vulnerability status of the affected people/communities,
- (iii) Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final RP(s) /IPP(s).

D. Compensation and Rehabilitation¹⁴

6. This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan. This includes:

¹⁴ Depending on the status of the final detail design during the submission of the report this activity might not yet started. Provide the information on the expected date the activity to be conducted instead.

- (i) Payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons;
- (ii) Provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan.

7. Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

E. Public participation and consultation

8. This section describes public participation and consultations activities during the project implementation as agreed in the plan. This includes final consultations with APs during RP finalization after the completion of detail design; the numbers of activities conducted; issues raised during consultations and responses provided by the project team, implementing NGOs, project supervision consultants, contractors, etc.

F. Grievance Redress Mechanism (GRM)

9. This section described the implementation of project GRM as design in the approved RP/IPP. This includes evaluations of its effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people or communities.

G. Institutional Arrangement

10. This section describes the actual implementation or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/ team and appointment of staff in the EA/IA; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues, the roles of NGO and women's groups in the monitoring and implementation of the plan, if any.

H. Monitoring Results - Findings

11. This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of IR compensation rates and timeliness of payments, adequacy and timeliness of IR rehabilitation measures including serviced housing sites, house reconstruction, livelihood support measures, and training; budget for implementing EMP, RP, or IPP, timeliness and adequacy of capacity building, etc.). It also compared against the objectives of safeguards or desired outcomes documented (e.g. IR impacts avoided or minimized; livelihood restored or enhanced; IP's identity, human right, livelihood systems and cultural uniqueness fully respected; IP not suffer adverse impacts, environmental impacts avoided or minimized, etc.). For FI projects this includes the effectiveness of the Environmental and Social Management System (ESMS) managed by the FI and its participating institutions¹⁵. If noncompliance or any major gaps identified, include the recommendation of corrective action plan.

¹⁵ Specific for the FI projects, external agency may be required to conduct an audit of the project ESMS.

I. Compliance Status

12. This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR 2 and the approved final RP(s).

J. Follow up Actions, Recommendation and Disclosure

13. This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included. A time-bound summary table for required actions should be included.

Appendix 1

- i. List of Affected Persons and Entitlements
- ii. Summary of RP/IPP with entitlement matrix

Appendix 2

- i. Copies of AP's certification of payment (signed by the APs)
- ii. Summary of minutes of meetings during public consultations
- iii. Summary of complaints received and solution status