

**Earthquake Housing Reconstruction Project  
(EHRP)**

**RESETTLEMENT POLICY FRAMEWORK (RPF)**

Final  
(For Disclosure)

February, 2016

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**Government of Nepal**

## EXECUTIVE SUMMARY

The Resettlement Policy Framework (RPF) establishes the resettlement and compensation principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the earthquake and need to be resettled as well as those whose land is acquired as a result of project activities thus resulting in loss of shelter, assets or livelihoods, and/or loss of access to economic resources. The Framework is prepared to the standards of the GoN as specified in relevant legislation, and the World Bank's Operational Policies (OP) 4.12 on Involuntary Resettlement.

### *The Project*

The main objective of the project is to restore earthquake-affected houses with multi-hazard resistant core housing units in targeted areas and to enhance the government's ability to improve long-term disaster resilience. Component 1 (Improved Housing Reconstruction) will support owner-driven housing reconstruction program that will provide *housing grants* (about USD 2,000 per household) for the construction of approximately 83,000 core housing units, disbursed in multiple tranches, subject to the satisfactory achievement of pre-identified milestones and compliance standards. Component 2: Disaster Risk Management Systems will support the GoN put in place systems to improve disaster risk reduction, preparedness, and disaster response, in line with global best practices. Component 3 (Project Implementation Support) will finance the establishment and operation of the Project Management Unit (PMU), the Central Level Project Implementing Units (CL-PIUs), and the District-Level Project Implementation Units (DL-PIUs). Component 4 is for Contingency Emergency Response.

### *Land Acquisition and Resettlement Options*

Since the project will be providing grants to households based on 'owner-driven' housing construction modality, project activities are not expected to cause involuntary resettlement as defined by the World Bank's OP/BP 4.12. However, the earthquake has resulted in population displacement, landlessness, and damages to land due to cracks/fissures making the land in some cases inappropriate for house construction. The RPF consists of two main parts:

#### (i) Land Taking through Voluntary Land Donation

The following are some of the guiding principles that will be adopted during project implementation to support households that are unable to construct their houses in-situ either due to vulnerability or loss of original location:

- First preference to build the houses in **own land and** in the original place where the house was built before earthquake;
- Land obtained on **donation from the relatives/ neighbors/community members** in the villages;
- **Government's land** in the same area;
- Barren land/ land patches of **community forest**; and
- **Leased land** from the private owners for which Government would pay rent for land used under lease agreement.

In order to ensure that land donation practices relating to the project are carried out in a transparent way, based on fully informed consultation, and with measures in place to avoid future potential land disputes, the following procedures/steps will be adopted:

Step 1: Settlement-level screening for potential social safeguard impacts and determination of safeguards documents required according to Nepali regulations and World Bank policies

Step 2: DL-PIU seek the availability of *ailani* (public land), and individuals willing to donate land.

Step 3: DL-PIU in coordination with the VDC officials organizes public hearing to ensure that the land donated was obtained through voluntary means

Step 4: Land Registration to transfer the title of the voluntarily donated land to the recipient household.

**(ii) Involuntary Resettlement Policy Framework**

Presently, the government has not finalized a resettlement policy for the earthquake affected households that need to be relocated. This Involuntary Resettlement Policy Framework will be adopted to address possible negative impacts arising during relocation and resettlement.

- *Entitlement Framework*

Persons affected by land acquisition, and relocation and/or rehabilitation of structures/assets (businesses, houses, etc), will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the affected persons.

- *Carrying Out the Valuation of Affected Assets*

While deciding on the land for resettlement of the earthquake affected households, the central level PIU will conduct Social Impact Assessment (SIA) in the new land where the earthquake-affected households will be resettled. Where the social impact assessment indicates that land acquisition and/or loss of assets are unavoidable, a Resettlement Action Plan (RAP)/Abbreviated RAP (ARAP) will be prepared.

- *Preparation of RAP/ARAP*

The individual RAP/ARAP documents will be prepared in close consultation with the affected persons, along with active participation of secondary stakeholders, such as local or national government, policy makers, advocacy groups, elected officials and NGOs and the local VDC secretary. These RAP/ARAPs will at least consist of the following elements: description of the project; Census data; consultation details; findings from the SIA; legal framework covering the applicable legal and administrative policies/procedures; institutional framework that describes the roles and responsibilities of agencies responsible for resettlement activities; eligibility and method for the valuation of and compensation for the losses; resettlement measures, including site selection, site preparation and relocation; plans to provide for housing, infrastructure and social services of people who will be involuntarily resettled; community participation and organizational responsibility; Grievance Redress Mechanism; and implementation arrangements, costs and budget, and monitoring and evaluation.

***Consultations and Information Disclosure***

All the RAPs/ARAPs will be reviewed and approved by the World Bank and the central level PIU. Further, they will also be disclosed to the affected persons. Further consultation and participation program will be conducted to ensure that information on the project objectives, implementation schedule, resettlement and land acquisition; eligibility and compensation issues are properly understood and accepted by the affected communities.

***Grievance Redress Mechanism***

The Grievance Redress Mechanism will include (i) a recording and reporting system, including grievances filed both verbally and in writing, (ii) designated staff with responsibility at various levels of

governments, and (iii) a specific protocol for handling grievances including the minimum time frame within which different types of grievances should be addressed.

### ***Project Implementation Arrangements***

The Government of Nepal (GoN) has the overall responsibility for implementing the project, including its social and environmental management, with the PMU guiding project activities. Central level PIUs will include Environmental and Social specialists for providing oversight of and compliance with environmental and social requirements. At the district level, there will be an Environmental and Social Safeguards specialist at each DL-PIU that will be responsible for screening, preparation and implementation of safeguards management plans, and monitoring them. Mobile teams will be available to support the beneficiaries with construction activities as well as for safeguard support.

### ***Monitoring***

Mobile team's social mobilizer and environmental officer will submit supervision and monitoring report to DL-PIU. DL-PIU's safeguard team, with necessary support from PO/SA, will manage periodic (monthly) site monitoring, and submit monitoring report to DDC. Consolidated quarterly environmental and social monitoring report will be submitted to the Central PIUs, and also shared with the World Bank. The central-PIUs' environmental and social specialists are responsible for the overall compliance with ESMF. A third-party, commissioned by the PMU, will monitor the environmental and social compliance, initially six-monthly and later on an annual basis.

### ***Capacity Building***

Capacity building will be required at different tiers of project implementation. On a need-basis, the project will hire environmental and social specialists but at a minimum, it will include: (i) a senior Social Specialist and a senior Environmental Specialist at central PIUs, (ii) a social development specialist and an environmental specialist at district level PIU, and (iii) social mobilizer and environmental officer/mobilizer with mobile team. Additionally, a set of planning and implementation tools and guidelines for implementers and beneficiaries will be developed, which will also be used during training and as a reference for technical staff. The central PIU, in consultation with district-PIU, will prepare plans for environmental and social training, orientation and awareness raising, as part of their annual work plan. Social and environmental aspects as well as requirements (minimum requirements and good practices), will be integral part of all of various training to overseers, sub-overseers, carpenters, and masons, etc., and project beneficiaries.

### ***Budget Requirements for Implementation of RPF***

Some of the costs like minimum standards associated with RPF implementation will be a part of the overall project costs as well as costs for the implementation of the ESMF. The precise budget for RAP/ARAP implementation will have to be worked out in detail at a later stage and agreed with the PIU. Further, efforts will be made to merge/link the activities mentioned in the RAP with other programs being implemented by government agencies, organizations, NGOs, INGOs and local communities for augmenting the existing resources (refer to the Environment and Social Management Framework developed for the project for more details).

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## ABBREVIATIONS AND ACRONYMS

CFC	Compensation Fixation Committee
DDC-EECCS	District Development Committee-Energy, Environment and Climate Change Section
DL-PIUs	District-Level Project Implementation Units
DRM	Disaster Risk Management
DTCO	District Treasury Comptroller Office
DUDBC	Department of Urban Development and Building Construction
EHDC	Earthquake Household Damages and Characteristics
EIA	Environmental Impact Assessment
EMP	Environment Management Plan
ESIA	Environment and Social Impact Assessment
ESMF	Environmental and Social Management Framework
GoN	Government of Nepal
GRM	Grievance Redress Mechanisms
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
IFR	Interim Financial Report
ISP	Implementation Support Plan
M&E	Monitoring & Evaluation
MoFALD	Ministry of Federal Affairs and Local Development
MoI	Ministry of Industries
MoUD	Ministry of Urban Development
NGO	Non-Governmental Organization
NPC	National Planning Commission
OP	Operational Policy
PAP	Project Affected People/Population
PDNA	Post-Disaster Damage and Needs Assessment
PDO	Project Development Objective
PIU	Project Implementing Unit
PMU	Project Management Unit
POM	Project Operations Manual
RAP	Resettlement Action Plan
RPF	Resettlement Policy Framework
SAP	Safeguards Action Plan
SORT	Systematic Operational Risk-Rating Tool
ToR	Terms of Reference
VCDF	Vulnerable Community Development Planning Framework
VCDP	Vulnerable Community Development Plan

## 1. INTRODUCTION AND OBJECTIVES

1. This document presents the Resettlement Policy Framework (hereafter, RPF) for the Earthquake Housing Reconstruction Project (EHRP). The project will be implemented in three of the 14 severely earthquake affected districts. However, the specific sites and physical location of the households that will be supported for reconstruction are not known and as such, the details of activities and impacts are not known ex-ante. The objective of this RPF is to serve as a practical tool that would be applied if there is to be any form of resettlement or relocation of earthquake affected household during project implementation. In particular, the RPF includes principles and objectives governing resettlement preparation and implementation; legal framework guiding land acquisition and resettlement; description of the process for preparing and approving resettlement plans; eligibility criteria for defining various categories of displaced persons; methods of valuing affected assets; organizational procedures for delivery of entitlements; description of the implementation process, grievance redress mechanisms, and consultations. In addition it also includes description of monitoring arrangements and capacity building needs.

## 2. DESCRIPTION OF THE PROJECT

### 2.1 Project Background

2. On April 25, 2015, a major earthquake of shallow depth measuring 7.6 on the Richter scale struck central Nepal causing widespread destruction. The earthquake and its sequence of aftershocks caused 8,700 deaths and some 25,000 injuries. More than 3,000 public buildings have also been destroyed or damaged, in addition to the loss of a rich set of historical monuments and cultural icons. Given the level of shaking intensity and severe impact in remote districts, these numbers may likely rise in coming weeks. According to initial estimates, this earthquake has caused significant damage to public and private buildings and infrastructure, while also disrupting telecommunications and power infrastructure. The event also has triggered extensive landslides and avalanches causing further damage and disruption in essential services delivery.

3. The World Bank, United Nations Development Program (UNDP) and European Union (EU), upon receiving a request from the National Planning Commission (NPC)/Government of Nepal (GoN), carried out a Post Disaster Needs Assessment (PDNA) to determine the impact of the earthquake event from May 15 to June 15, 2015. The PDNA fed into the government's FY16-17 fiscal budget and the donor conference.

4. A Post-Disaster Needs Assessment (PDNA), completed on June 15, found that total damages and losses resulting from the earthquake sequence amounted to about \$7 billion, and reconstruction needs amounted to about \$6.7 billion. As the earthquake sequence destroyed 490,000 houses—mostly traditional mud-brick and mud-stone houses built and occupied by the rural poor—and rendered another 265,000 houses at least temporarily uninhabitable, the largest single need identified in the PDNA was housing and human settlements, accounting for \$3.27 billion of needs (or almost half of the total needs). Based on the findings of the PDNA, the World Bank along with other development partners, agreed on providing assistance for disaster recovery and future risk reduction to Nepal.



## 2.2 Project Description

5. The main objective of the project is to restore affected houses with multi-hazard resistant core housing units in targeted areas and to enhance the government's ability to improve long-term disaster resilience. The Project's direct beneficiaries are expected to be approximately 83,000 households in the targeted areas that will receive grants and technical support to rebuild their houses incorporating multi-hazard resistant features. Specifically, the project will be implemented in 3 of the 14 severely affected districts namely, Dhading, Dolakha and Nuwakot. The Project will also inform operational modalities for the development of the government's overall housing reconstruction program, which would benefit all eligible housing reconstruction beneficiaries estimated to be approximately 490,000 households.

The Project comprises of 4 components briefly described below.

### **Component 1: Improved Housing Reconstruction- US\$185 million**

6. The component will finance: (a) the provision of *housing grants* for construction of approximately 83,000 multi-hazard resilient core housing units. Eligibility will be determined by an assessment of recovery needs and willingness to participate and adhere to project guidelines for resilient construction, quality standards and timelines; and (b) the establishment of a program of owner-driven housing reconstruction in targeted areas including: i) social, environmental, and technical support mechanisms for beneficiary households; ii) training of artisans and beneficiaries; iii) communication and outreach; iv) supervision and certification of compliance with multi-hazard resistant standards and of completion of multi-hazard resilient core housing units; v) implementation of the environmental and social management framework including identified safeguard mitigation measures; vi) development of a grievance redress mechanism; and, vii) other enabling activities.

7. Activities under this component will inform operational modalities for the development of the Government's owner-driven housing reconstruction program and are guided by a set of principles including: i) promotion of multi hazard-resistant construction standards and design; ii) primarily in-situ reconstruction, except where relocation is necessary due to vulnerability of location; iii) owner-driven rebuilding with socio-technical assistance, training, and supervision; iv) utilization of easily accessible and local materials and familiar construction methods; and, v) provision of uniform assistance package as reconstruction assistance in tranches based on certification of stage and quality. The beneficiary households will be screened and identified through the Earthquake Household Damages and Characteristics (EHDC) Survey first taking place in the 14 most affected districts, including the three project districts.

8. Individual Housing Reconstruction Grants will be disbursed in multiple tranches, subject to the satisfactory achievement of pre-identified milestones, verification of progress and compliance with multi-hazard resistant standards. The exact amount of the grant will be determined by the Government of Nepal (GoN) and may be adjusted if needed during implementation. This would be stated in the Operations Manual. At the time of drafting of this RPF, the expected grant amount is USD 2,000 per household.

9. The households receiving grants and technical support under this component will be geographically targeted to selected Village Development Committees (VDCs)/Municipalities with rural characteristics, in three of the affected districts, namely, Dhading, Dolakha and Nuwakot. The VDCs/Municipalities would be selected based on the extent of damages in the village and readiness to implement the project. These criteria would be assessed through the Earthquake Household Damages and Characteristics (EHDC) Survey, which would: i) building on the data already collected by District Disaster Relief Committee (DDRC), ascertain the damage to the housing stock at the VDC/Municipality

level against uniformly applied engineering criteria; ii) verify household eligibility through the EHDC Survey including willingness to adhere to project guidelines for resilient construction and timelines; and iii) collect information to open bank accounts for affected households (or other assistance transfer mechanism), which will be in the name of the beneficiary, to ensure timely and transparent fund transfers. Final certification of completion of multi-hazard resilient core housing will be carried out in accordance with the Operations Manual (OM).

## **Component 2: Disaster Risk Management Systems - US\$10 million**

10. The objective of this component is to support the GoN in putting in place systems to provide better disaster risk reduction, preparedness, and disaster response, in line with global best practices. The component will finance, as needed, support in the areas of (inter alia) disaster risk management, risk assessment and financing, structural engineering, remote sensing, GIS, land use and zoning, permitting and approval of site and building plans, professional accreditation, curriculum development, building code implementation and enforcement, studies on safety net practices in post-disaster situations, and inclusive and gendered practices in disaster mitigation planning.

## **Component 3: Project Implementation Support - US\$5 million**

11. This component will finance the establishment and operation of the Project Management Unit (PMU), the Project Implementing Units (PIUs), and the District-Level Project Implementation Units (DL-PIUs). This will cover support to strengthening capacity to effectively procure and manage delivery systems including damage assessment, beneficiary household identification, payment system, management information system (MIS), grievance redress, and communication/outreach. In addition, the component will also finance consultancies/service providers required for the preparation and supervision of specific activities, monitoring and evaluation.

12. There is an existing MIS within MoFALD, as well as a manual-based cash transfer system. Pilots on e-payments have been completed by the ministry as well. The implementation support provided through this project would build on these existing systems to improve financial inclusion, transparency and accountability. This would be done through the opening of bank accounts for payments of the reconstruction grants, expanding the MIS, and providing targeted technical assistance for the provision of communications and grievance redress mechanisms. The comprehensive dataset, which would be developed through this project would remain with MoFALD after the project, and assist in building an evidence base for pro-poor policy decisions for both disaster response and mitigation as well as social protection.

## **Component 4: Contingency Emergency Response - US\$0 million**

13. Following an adverse natural event that causes a major natural disaster, GoN may request the Bank to re-allocate project funds to support response and reconstruction. This component would draw resources from the unallocated expenditure category and/or allow the Government of Nepal to request the Bank to re-categorize and reallocate financing from other project components to partially cover emergency response and recovery costs. This component could also be used to channel additional funds should they become available as a result of an emergency.

### 3. SCOPE OF LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

14. Since the project will be providing grants to households based on ‘owner-driven’ housing construction modality, project activities are not expected to cause involuntary resettlement as defined by the World Bank’s OP/BP 4.12. However, the earthquake has resulted in population displacement, landlessness, and damages to land due to cracks/fissures making the land in some cases inappropriate for house construction. Additionally, landless households, households/individuals living in squatter settlements, Guthi (Trust) land, monasteries, rented land, have been made more vulnerable since their structures have been destroyed by the earthquake. In these instances, there might be a need to relocate the affected households. However, the issue of relocation is further complicated by limited availability of land for resettlement and/or increase in land prices making it unaffordable for resettlement planning. Thus, it is possible that involuntary resettlement would be unavoidable while providing alternate land to the earthquake affected persons. In such cases, this RPF will be applied.

15. Presently, the GoN is in the process of developing a policy for the households who will have to be resettled due to the earthquake. It is expected that for the households rendered landless due to the earthquake or those previously landless and have their structured destroyed, the project will follow the government policy where alternative plots of land will be made available through: surplus government lands, reserve available lands for the new settlement, and voluntary land donation from other community members; and where alternative government lands or voluntarily donated lands are not available, the government will procure available private lands from the owners on willing buyer, willing seller principle, or provide additional funds to individual households for the procurement of land. In case of landless, squatters and affected households whose lands are damaged due to cracks/ fissures and not appropriate for house construction, the GoN will provide land based on the policy options specified above.

16. However, due to lack of clarity *ex ante* on land requirements and the nature of land acquisition, the Resettlement Policy Framework (RPF) consists of two main parts, namely, "Land Taking through Voluntary Land Donation Policy Framework "and "Involuntary Resettlement Policy Framework." Procedures as set in this RPF will be followed in both these instances of land acquisition.

### 4. LAND TAKING THROUGH VOLUNTARY LAND DONATION POLICY FRAMEWORK

#### 4.1 Existing Practices Relating to Land Donation in Nepal

17. A traditional feature of Nepal’s land donation practices suggests that there would be potential to encourage big landlords, VDC and government institutions to donate land under certain circumstances, especially in rural areas. In order to help earthquake-affected households reconstruct their houses quickly and minimize the cost of reconstruction, land taking through voluntary land donation will be encouraged under this project. This framework is prepared to ensure that such land donation practices are carried out in a transparent way, based on fully informed consultation, and with measures in place to avoid future potential land disputes.

## 4.2 Applicable Policies on Voluntary Land Acquisition

18. The Land Revenue Office (LRO) is responsible for land administration and registration of all types land in Nepal. The Survey Office prepares land records through cadastral mapping. The three major types of existing land tenure systems: i) registered private land, ii) registered public land and iii) un-registered (but cadastral mapped) government land (*ailani*).

19. The Constitution of Nepal 2072 guarantees the fundamental rights of a citizen. Article 25(1) establishes the right to property for every citizen of Nepal, whereby every citizen is entitled to earn, use, sell and exercise their right to property under existing laws. Article 25(2) states that except for social welfare, the state will not acquire or exercise authority over individual property. Article 25(3) states that when the state acquires or establishes its right over private property, the state will compensate for loss of property and the basis and procedure for such compensation will be specified under relevant laws.

20. The Land Acquisition Act (1977) and its subsequent amendment in 1993 specify procedures to be followed for land acquisition and compensation. The Act empowers the GoN to acquire any land, on the payment of compensation, for public purposes or for the operation of any development project initiated by government institutions. The Act also includes a provision for acquisition of land through negotiations and thus provides a space for voluntary donation. Under Clause 27, it states, “notwithstanding anything contained elsewhere in this Act, the Government may acquire any land for any purpose through negotiations with the concerned land owner. It shall not be necessary to comply with the procedure laid down in this Act when acquiring land through negotiations.”

21. The *Malpot Ain 2034 B.S.* or Land Revenue (Land Administration and Revenue) Act (1978), is the main Act to carry out land administration including maintenance and updating of records, collection of land revenue and settlement of the disputes after completion of survey and handing over of the records to Land Revenue Office by the Survey Parties. The Act authorizes the Land Revenue Offices to carry out the responsibilities relating to registration, ownership transfer and deed transfer of land. This Act also authorizes the Land Revenue Offices 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.

## 4.3 Principles for Land Donation

22. As mentioned above, the GoN yet to develop a specific policy for households who will have to be resettled due to the earthquake and its aftermath effects. Until then, it is expected that for the households rendered landless due to the earthquake, the project will follow the existing practice where alternative plots of land will be made available through: surplus government lands, reserve available lands for the new settlement; and where alternative government lands are not available, the government will procure available private lands from the owners on willing buyer willing, willing seller principle, or provide additional funds to individual households for the procurement of land. Besides government’s processes, there might also be instances where community members donate their land individual land for the affected households to reconstruct their houses. The project will support both these options for voluntary land donation.

23. In such instances of land donation, the following are some of the guiding principles that will be adopted during project implementation to support households that are unable to construct their houses in-situ either due to vulnerability or loss of original location:

- The first preference would be to build the houses is **own land of the owners** in the original place where the house was built before earthquake;
- Land obtained on **donation from the relatives/ neighbors/community members** in the villages;
- **Government's land** in the same area;
- Barren land/ land patches of **community forest**; and
- **Leased land** from the private owners for which Government would pay rent for land used under lease agreement.

24. In case of landless, squatters and affected households whose housing structures are damaged due to the earthquake, the Government would need to provide land based on the policy options specified above.

#### 4.4 Procedures for Managing Land Donation

25. In order to ensure that land donation practices relating to the project are carried out in a transparent way, based on fully informed consultation, and with measures in place to avoid future potential land disputes, the project will follow the procedures/steps mentioned below:

##### **Step 1: Settlement-level screening for potential social safeguard impacts and determination of safeguards documents required according to Nepali regulations and World Bank policies**

26. As detailed in the Environment and Social Management Framework (ESMF) developed for this project, the main institution responsible for managing/implementing all the safeguards related issues under the project will be the District Level Project Implementation Unit (DL-PIU). Once the settlements for reconstruction are identified, the DL-PIU through the eligibility survey team, environmental and social safeguard specialists, consultants, Partner Organizations/Support Organizations, will screen each settlement to understand the social and environment issues pertinent to the settlement, determine the applicability of Nepali laws and regulations as well as World Bank's safeguard policies, and the corresponding safeguard requirements, including relocation needs and additional land requirements, as well as opportunities for sustainability enhancement (Annex 1 for sample of a screening checklist).

27. To facilitate the screening, the eligibility survey team will be provided with orientation trainings for the collection of initial environmental and social data/information. For the purposes of the environmental and social screening, the DL-PIU will define a settlement using combination of criteria including the following: (a) Administrative boundary, such as a ward, or a VDC; (b) Name of the village/place (such as Tol)/ community; (c) Natural or topographical boundary; (d) Contiguity.<sup>1</sup>

28. The DL-PIU Screening team will use the data/information collected by the eligibility survey team as well as other sources of information to understand the land requirements as well as resettlement impacts of the project. In some instances, it may also decide to validate the information collected by the eligibility survey team through site visits (the screening team will use its professional judgment to decide, on case by case basis, if field visit is necessary for the screening purpose). The screening checklist provided in Annex 1 will consider resettlement impacts, including:

(a) the need, if any, for land acquisition and involuntary resettlement (permanent or temporary); and

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<sup>1</sup> Based on these criteria, it may be possible that a ward or a VDC may be considered as a settlement, or there could be more than one settlement in a ward also. The GPS coordinates collected by the eligibility survey team would be used to define the boundaries for the settlement.

(b) basic socio-economic characteristics of the population living in the settlement, including those who will have to be relocated.

Accordingly, a screening report will be prepared at the VDC level containing settlement level information/ data relating to the relocation needs of the earthquake affected households.

**Step 2: DL-PIU seek the availability of *ailani* or public land, and individuals willing to donate their land.**

29. If the screening report indicates the need for land, the DL-PU will seek for availability of *ailani* land in the same settlement or nearby settlements to be obtained by the community with the consent of the local authorities (such as, VDC or other government representatives). If such land is not available, the community may approach a large land owner or other individuals and ask the owner(s) to contribute land to households that have lost their land to the earthquake or those who were landless to begin with. The owner may contribute the land on a purely voluntary base.

**Step 3: DL-PIU in coordination with the VDC officials organizes public hearing**

30. There are well established procedures for organizing a public hearing in Nepal given the historical roles that communities have played in delivering essential services across the country. The public hearing shall verify the information provided in the land assessment data sheet (see Annex 2), with the purpose of ensuring that all land received by the project were indeed obtained through voluntary means. Public hearing minutes will be prepared by the project and signed by the participants. If grievances/claims are raised during this public meeting, the concerned piece of land will not be used for the project.

**Step 4: Land Registration**

31. All land transactions will be subject to registration (as per market transactions) under the ownership of the earthquake affected household that is financed by the project. The DL-PIU will coordinate with the Land Revenue Office and the Survey Office for land registration and/or transfer of land title. In case of voluntary donation of land, the DL-PIU will submit written evidence ensuring that the donation of land is completely voluntary (without any coercion) and unless the household giving the land is clearly well off, there will be a need to ensure that the donation of land does not cause any significant loss of income. The procedures will also ensure that the land title is transferred in the name of the project-financed households. The title to the land voluntarily donated would be transferred to the recipient household through the legal system prevalent in Nepal.

32. The project will also ensure such donations do not involve physical displacement or any significant adverse impacts upon incomes of any household, no matter their legal statuses. All voluntary land transactions will meet the following criteria:

- The land in question will be free of squatters, encroachers or other claims.
- Verification of the voluntary nature of land donations in each case will be conducted through formal public hearing.
- A grievance redress mechanism will be in place to hear complaints regarding land donation.

## 5. INVOLUNTARY RESETTLEMENT POLICY FRAMEWORK

33. Presently, the government has not finalized a resettlement policy for the earthquake affected households whose land is no longer habitable. However, there are discussions of using a “swap model” where the government will provide new land in exchange for the unusable land to support private house construction. In either case, this Involuntary Resettlement Policy Framework will be adopted to address against any negative impacts.

34. This Involuntary Resettlement Policy Framework establishes the resettlement and compensation principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the earthquake and need to be resettled as well as those whose land is acquired as a result of project activities thus resulting in loss of shelter, assets or livelihoods, and/or loss of access to economic resources. The Framework is prepared to the standards of the GoN as specified in relevant legislation, and the World Bank’s Operational Policies (OP) 4.12 on Involuntary Resettlement.

### 5.1 Comparison of the GoN’s and World Bank’s Policies on Involuntary Resettlement

35. This section will provide a comparative analysis of the national and World Bank’s policies on involuntary resettlement/land acquisition, and present recommendations to bridge identified gaps.

#### 5.1.1 Common Principles

36. Generally, both the World Banks’ and the policy of GoN support the following basic principles:

- Involuntary resettlement shall be avoided or minimized to the extent possible, through the incorporation of social consideration during into design options and alignment selections.
- Where displacement is unavoidable, people losing assets, livelihood and other resources shall be assisted in improving or at a minimum regaining their former status of living at no cost to themselves.
- There are some areas, however, where additional measures or further specifications for the entitlements under national guidelines and laws are necessary to meet the standards of the World Bank (OP 4.12). These additional measures are essential for ensuring that the principles mentioned above will be achieved. In addition, a well thought out, specific entitlement framework would protect the project from major delays caused by confusion.

#### 5.1.2 Identification of Gaps and Limitations in the National Policies

37. The main gaps and limitations of the national legal and policy framework are:

- National law makes provision for compensation to the titled landholder only and, by default, omits all other project affected people (PAP), including non-registered tenant farmers, landless farmers, and squatters. Invariably, these groups are primarily those who are economically and socially the most vulnerable and marginalized groups including, agricultural laborers, petty entrepreneurs, artisan groups and *Dalits*.



- There are also no provisions in the national laws to protect the interests of vulnerable groups. Accordingly, there is no provision for rehabilitation assistance for such vulnerable groups.
- National law does not make any provision for encroachers or squatters regarding entitlement for compensation. The reason is to focus on assisting poor people whose assets and livelihoods may be lost or disrupted by the project.
- The Land Acquisition Act, 1977 does not emphasize transparency and stakeholder participation for various decisions that directly affect the long- term wellbeing of PAPs. Also, the Compensation Fixation Committee (CFC) does not require participation of either the representatives of PAPs or representatives from the local VDC/municipalities.
- When GoN requires assets, national law does not specify the provision of mandatory replacement cost. There are also no clear directives in place to look at project design options that avoid or minimize involuntary resettlement. Further, only cash compensation is considered for payment. While cash compensation is the easiest mode of operation, its long-term impact on families who are not used to large cash flows, can be more negative than otherwise.
- There is a provision in the Land Acquisition Act, 1977 for land-for-land compensation such that if a titleholder loses all his/her land and opts for land as compensation, the government may provide land if there is *ailani* (unclaimed land) or other government land available. Past experience, however, indicates that the relevant clauses are too general and do not oblige implementation. It is also not clear if PAPs can exercise this right or it is entirely the decision of the government.
- Lack of consideration of the apparent time gap between notification of acquisition and the payment of compensation is another limitation of the existing legal framework.

### 5.1.3 Recommendations for Bridging the Gaps

38. The results of this policy review of both the World Bank and GoN are taken into due account in the development of an Involuntary Resettlement Policy Framework for the NEHRP, including a policy matrix for entitlements to compensate losses from project interventions.

39. Policy recommendations to close the identified gaps and limitations are:

- A project affected person (PAP) will be defined as a person or household whose livelihood or living standard is adversely affected through loss of land, housing and other assets, income, or access to services as a consequence of the implementation of the project, primarily, as a result of the relocation of the earthquake-affecting households, causing a change in land use.
- Entitlements will be established for each category of loss. In particular, practical provisions will be made for the compensation for all lost assets to be made at replacement cost without depreciation or reductions for salvage materials. To the extent possible, efforts will be made to assess the real replacement costs of land. A procedure will be established for determining compensation rates accurately by making rigorous efforts to assess the replacement costs and market rates for all assets, including labor costs for construction. No depreciation value will be subtracted.



- Special attention will be given to protect the interest of vulnerable groups. With a census date as cut-off date, no fraudulent encroachments after this date will be considered eligible for entitlements of compensation in the land where the relocated households will be resettled. However, landless farmers/squatters who have been occupying the concerned public land for at least 3 years before the cut-off date, but without legal title, which has not been claimed by others, will be entitled to compensation for the lost land and entitled to be legalized on the remaining unaffected portion, if they do not have title to any other agricultural land. Non-land assets will be compensated at replacement value and their relocation and transportation will be provided for. Support for vulnerable groups will be provided to improve their livelihood.
- There will be legal provision of PAPs and local representatives of VDC/Municipalities participation in settling the resettlement issues related to compensation, relocation and rehabilitation.
- Options for compensation will be kept open; decision will be made only after detailed analysis of the project impacts, consultation, and acceptance by the project affected families, based on full information being made available to them about the implications of the various options. In rural areas, land-for-land will be the preferred option offered to PAPs, and cash compensation in urban areas.
- Titleholders who are severely affected through loss of their agricultural land will be offered a choice of assistance with the identification and purchase of suitable privately owned cultivation land in the community (if there is no suitable unallocated replacement land), or cash compensation. They would also be entitled to rehabilitation assistance such as skills training for one household member.
- Full compensation will be provided for all losses, including land, at current market price and will be paid promptly before evacuation. In the case of residential land, current market price of similar land or replacement land of equivalent size will be provided together with transfer arrangements in the case of displacement, and cash compensation in the case of partial loss without displacement. Tenants renting residential land will be compensated in cash and assisted in finding suitable alternative residence.

See Annex 3 for details on the gaps and recommended actions for bridging the gaps.

## **5.2 Eligibility, Entitlement and Valuation**

### **5.2.1 Eligibility**

40. The World Bank Policy on Involuntary Resettlement requires compensation for the lost assets at replacement costs to both titled and non-title holders (i.e. squatters, encroachers and tenants) and resettlement assistance for lost income and livelihoods. In the proposed project, the absence of formal titles will not be a bar to resettlement assistance and rehabilitation. However, some form of eligibility criteria such as customary, traditional or accepted claims, will be considered. Further, the principles adopted herein contain special measures and assistance for any affected person from vulnerable groups.

41. Persons affected by land acquisition, and relocation and/or rehabilitation of structures/assets (businesses, houses, etc, will be entitled to a combination of compensation measures and resettlement

assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the affected persons. Thus, the affected persons in the project will be entitled to various types of compensation and resettlement assistance that will help in the restoration of their livelihoods, at least, to the pre-project standards.

42. The cut-off date of eligibility for entitlement is when the census survey is completed and when the results are publicly announced. Persons who has encroached the area after the given cut-off-date will not be entitled to compensation or any other form of resettlement assistance. However, for non-land related assets, the cutoff date will be the “start” of the census.

### 5.2.2 Entitlement Framework

43. The project will affect property owners and occupants, their dependents and community groups if involuntary resettlement of private and community assets is unavoidable. Entitlements for each type of affected are based on the types and levels of losses. Details on the entitlement framework by type of loss and entitlement unit are shown in Annex 4.

44. In Nepal, the following types of entitlement practices exist<sup>2</sup> for those who have formal legal rights to land (including tenancy, customary and traditional rights recognized under the Land Related Act, 2021 (1964):

- In case of tenancy land, 50 percent of the evaluated amount (value of the affected land) will go to the owner and 50 percent is paid to the tenant.
- Those who do not have formal legal rights to land at the time of the census but have a recognizable legal right or claim to such land or assets are entitled to full compensation at replacement cost. These could include persons waiting for the Land Certificate (“*LalPurja*”) to be approved by the District authority but who have documents to prove as such.
- Those who occupy land temporarily or on a leased-basis allocated to them by the individual, community and any private or public organization with the written permission or signed contract will receive entitlements as per the terms of the lease arrangement.
- GoN's laws and regulations do not provide any compensation to individuals/households who do not have any recognizable legal rights or claim to the land they are occupying i.e. squatters, ownerships under dispute etc. However, with an assumption that people of this category are poor and vulnerable, the Project will compensate for the loss of crops at market prices and structures at full replacement cost. For poor and vulnerable affected persons who have no other land, the Project will suggest to allocate alternate land and provide them with temporary or lease land rights as well as relocation allowances and rehabilitation support. Landless PAP will not be displaced until the project provides land or alternatives for the poor and vulnerable.
- *Guthi*, public or community land area can also be subject to loss of land due to the Project. If the recovered land belongs to a *Guthi*, it will be treated according to the Guthi Corporation Act, 2033 (1976). On public and community land, the Project will support relocation to another land or pay cash compensation on a consensus basis.

### 5.2.3 Carrying Out the Valuation of Affected Assets

45. All assets that will be affected, as identified by the survey teams (see below for the preparation of the Resettlement Action Plan), will be properly recorded and verified in the presence of the concerned persons. The detailed survey asset information will be computerized to monitor the reestablishment of PAPs. The valuation of affected assets will be undertaken by the District-level Compensation Fixation Committees (CFCs). To the extent possible, the said assets (land, structures) will be geo-referenced with the help of a Global Positioning System (GPS) to facilitate monitoring and will be used in case of later claims.

46. Each asset will be enumerated and inscribed on a register. Values for each types of asset will be pre-printed, shown to the affected person, and set against the type and number of such losses that the individual will sustain. The total compensation for that category of loss will be explained to the affected persons/households, and the total of all losses will be shown as well. The valuers will ensure that the affected persons/households fully understand the compensation calculation, and that the entire process is explained in local dialect, as applicable. The inventory and evaluation sheet will then be signed and a copy given on the spot to the affected person/household. The form will also state, and the affected person will be notified, that the inventory will not be official until a second signed copy, verified by DL PIU, is returned to the affected person. At that time, a copy of the grievance procedure described below (explaining the rights of the AP to forward claims) will also be given to the affected person.

47. When valuing affected assets, the CFCs will take account of rates in the open local market and information gathered during RAP preparation, to ensure that compensation is at replacement value. Compensation rate for all types of losses will be prepared. The established price list for land and other assets will be used for compensation of property acquisition. During the course of project implementation, the rate will be continuously reviewed and updated on an annual basis by the CFC. The respective data will be stored in an updated data bank administered by the DL-PIU and central level PIU.

48. The final valuation will be based on the principle that the project-affected families shall be compensated in a way to guarantee that their living standard is at least the same as before, if not better. Accordingly, the assessment of compensation for affected assets will be based on the principle of current market price at replacement value. The prices per square meter for different category of structures will be based on the total affected area of a structure, and not the usable area. As a matter of principle, all compensation will be equivalent or higher than the prevailing market price.

### 5.3 Recommended Procedures for the Resettlement Action Plan

49. As described in greater detail in the Environment and Social Management Framework (ESMF), once the VDCs and settlements for the housing grants have been identified, the DL-PIU (through social and environmental safeguards specialists, consultants, Partner organizations/support organizations) in conjunction with the eligibility survey team will conduct a Social and Environment Screening at the settlement level (Annex 1 for sample of a screening checklist). For the purposes of the environmental and social screening, the DL-PIU will define a settlement using combination of criteria including the following: (a) Administrative boundary, such as a ward, or a VDC; (b) Name of the village/place (such as Tol)/ community; (c) Natural or topographical boundary; (d) Contiguity.<sup>3</sup>

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<sup>3</sup> Based on these criteria, it may be possible that a ward or a VDC may be considered as a settlement, or there could be more than one settlement in a ward also. The GPS coordinates collected by the eligibility survey team would be used to define the boundaries for the settlement.

50. The DL-PIU Screening team will use the data/information collected by the eligibility survey team as well as other sources of information to understand the land requirements as well as resettlement impacts of the project. If the results of the screening exercise points to the need to resettle or relocate earthquake affected households, the DL-PIU will validate the information collected by the eligibility survey team through site visits and accordingly carry out a detailed social assessment to understand, at a minimum:

- Demographic characteristics of the population that will have to be relocated;
- Status of their incomes, occupations and livelihood strategies;
- Land requirements;
- Collective attachment to the current land;
- Cultural/religious practices;
- Production systems
- Preferences for relocation;
- Characteristics of vulnerable groups amongst those who need to be relocated; etc.

51. Accordingly, a report will be prepared by the DL PIU and submitted to the central level PIU for resettlement options for the earthquake affected households. The DL PIU as well as the Central level PIU will consider options for alternate land.

52. While deciding on the land for resettlement of the earthquake affected households, the central level PIU will conduct Social Impact Assessment (SIA) in the new land where the earthquake-affected households will be resettled. The SIA, which will be census-based and involve potentially displaced people will cover:

- Current occupants of the affected area (i.e., the area where the earthquake affected households will be resettled) to inform the design of the resettlement program and establish a cut-off date for eligibility for compensation and resettlement assistance;
- Socio-economic characteristics of households who will be resettled in order to provide land to the earthquake affected households. This will include description of production systems, labor and household organization; and baseline information on livelihoods and standards of living of the population that will be displaced.
- Magnitude of the expected loss (both total and partial) of assets and physical and/or economic livelihoods
- Information on vulnerable groups (indigenous people, women, Dalits, disabled, etc.) for whom special provisions will have to be made;
- Land tenure systems, including an inventory of common property resources, non-title based usufruct system (e.g., fishing, grazing, use of forest areas) and other land ownership and land usage systems;
- Patterns of social relations, including social networks and social support systems and how these would be affected by the project;
- Public infrastructure and social services that will be affected; and
- Social and cultural characteristics of the communities that will involuntarily be displaced, including a description of formal and informal institutions that may be important during the consultations and to designing and implementing the resettlement activities.

53. Based on the results of the SIA, the central level PIU will consider alternative options to minimize adverse social impacts resulting from land acquisition. Where the social impact assessment indicates that land acquisition and/or loss of assets are unavoidable, a Resettlement Action Plan (RAP)/Abbreviated RAP (ARAP) will be prepared. Generally, the GoN requirements specify the

undertaking of a RAP if the land acquisition in the project site affects more than 200 people, takes more than 10 percent of any holding, and involves physical relocation of population. An abbreviated RAP is generally acceptable if fewer than 200 people are displaced even if more than 200 people are affected, and land acquisition is less than 10 percent and no physical relocation is involved.

54. The individual RAP/ARAP documents will be prepared in close consultation with the affected persons, along with active participation of secondary stakeholders, such as local or national government, policy makers, advocacy groups, elected officials and NGOs and the local VDC secretary. These RAP/ARAPs will at least consist of the following elements:

- Description of the project;
- Census data
- Consultation details
- Findings from the SIA comprising potential impacts, including project activities that give rise to resettlement, the zone of impact, alternatives considered and mechanisms established to minimize resettlement;
- Legal framework covering the applicable legal and administrative policies/procedures;
- Institutional framework that describes the roles and responsibilities of agencies responsible for resettlement activities, assessment of their capacity and steps that would be taken to enhance their institutional capacity;
- Eligibility and method for the valuation of and compensation for the losses;
- Resettlement measures, including site selection, site preparation and relocation;
- Plans to provide for housing, infrastructure and social services of people who will be involuntarily resettled;
- Community participation and organizational responsibility;
- Grievance Redress Mechanism that is in line with the GRM for the project
- Implementation arrangements, costs and budget, and monitoring and evaluation.

55. Accordingly, the Abbreviated Resettlement Plan will include the following minimum estimates:

- Census survey of displaced persons and valuation of assets;
- Description of compensation and other resettlement assistance to be provided;
- Consultations with the displaced populations about acceptable alternatives;
- Institutional arrangements, monitoring and implementation framework, and a timetable and budget.

Detailed guidance on the content of RAP and ARAP is presented in Annex 5 and Annex 6.

56. All the RAPs/ARAPs will be reviewed and approved by the World Bank and the central level PIU. Further, they will also be disclosed to the affected persons. Further consultation and participation program will be conducted to ensure that information on the project objectives, implementation schedule, resettlement and land acquisition; eligibility and compensation issues are properly understood and accepted by the affected communities.

57. During project implementation, resettlement process will be coordinated with the timing of the inflow of the earthquake affected households into the area. The project will provide adequate notification and assistance to affected people so that they will be able to move without undue hardship before the arrival of the earthquake affected households.

58. In the case of land acquisition, the procedures will follow the provisions of the Land Acquisition Act, and the RPF. Every RAP/ARAP after its approval by the central level PIU and the World Bank, will be translated into the local language and made available in a public place accessible to affected people and other stakeholders. The project will ensure that the earthquake affected households will not be relocated before compensation and assistance to the affected population have been provided in accordance with this Resettlement Policy Framework.

## **6. CONSULTATIONS AND INFORMATION DISCLOSURE**

59. During the preparation of RPF, consultations were held with relevant departments and district-level offices of the government, project-affected groups, community based organizations, NGOs, women's groups, indigenous peoples' organizations, etc., at both national and local levels about the project's environmental and social aspects. Local level consultations were organized in all the three project districts, namely, Dolakha, Dhading and Nuwakot. For meaningful consultations, the concerned groups were provided with the draft documents in a timely manner prior to consultation and in a form and language that is understandable and accessible to the groups to be consulted (See Annex 7 of the Environment and Social Management Framework (ESMF) for summary discussions of the consultations). The revised safeguards documents (ESMF, VCDF, RPF), taking into account feedback received during consultations, were (a) re-disclosed at the country level and at public places accessible to project-affected groups and local institutions; (b) officially submitted to the World Bank for clearance; and (c) submitted for disclosure on the public World Bank's Infoshop.

60. Information disclosure and public consultation are important and necessary during project preparation and implementation as well. As such, during project implementation, meaningful consultation, including with vulnerable groups and project affected populations as described in this RPF, will be continuous. These enable project affected people, vulnerable groups, and other stakeholders to participate in and contribute to the project planning and implementation, and thereby help minimize adverse impacts and maximize benefits.

61. Information to be disclosed will include, at a minimum: eligible beneficiaries and criteria for their eligibility; requirements for receiving grant payments (including E&S requirements); housing models and designs; information on the GRM; and other project information. Alongside, this RPF, as well as the ESMF and VCDF, will be disclosed at a public place accessible to affected groups and other stakeholders prior to consultation to establish the basis for meaningful consultation. Disclosure means could vary, but may include posters, booklets, newspapers, the internet, and community meetings. Potential disclosure place, for example could include: DDC office, District Office of Housing and Building, VDC, Municipality, local NGO, club, users groups, etc.

62. The task of rebuilding homes and communities after a disaster is challenging. A good communication strategy among the governments, agencies involved in reconstruction, and the affected population needs to be established to ensure that the project is implemented in sustainable manner. Accordingly, a project level communications strategy has been developed. The aim of the communications initiative will be to empower the affected communities through participation and enhanced access to information on recovery and reconstruction. Information on government policies and activities, subsidies, entitlements, land status, and rehabilitation support needs to be made available to the beneficiaries using various tools. The communication and the information dissemination ability of the government is limited. The communication for this recovery project will be done through consultations, communications and information campaigns, public awareness programs, information dissemination through brochure, leaflets in local languages, FM radios, and mobilizing trained technicians/other

personnel. The communication plan will be effectively implemented at the grassroots level through local NGOs partnering with local agencies/government.

63. These tools will support the beneficiaries in providing information about:

- (i) About the project, its objectives, methodology, environmental requirements, best practices and the opportunities available the local communities to participate and plan for enhancing the existing local environment etc.;
- (ii) Minimum standards requirements for the houses to be built and the environmental implications of making these standards mandatory. Providing information about the available approaches for obtaining support to meet the standards;
- (iii) Providing information to link beneficiaries with para-legal or legal opportunities/provisions for integrating environmental concession in the construction of houses; and
- (iv) Providing information to the community and stakeholders on the possibilities of enhancing the existing environmental resources/assets through mobilization of fund/support from the government and other agencies.

64. A Technical Assistance and Capacity Building program will be designed in the Component 2 of the project. This component will support the government in overall project management, reporting, monitoring and evaluation, training, compliance with the environmental and social framework including implementation of identified safeguard mitigation measures, development of a grievance redress mechanism, and other activities. The TA and capacity building will include training and awareness raising of the local technicians on environmental and social requirements, and good practices, health & safety, waste management and pollution control, etc.

## **7. GRIEVANCE REDRESS MECHANISM**

### **7.1 Grievance Redress System for the Project**

65. The Grievance Redress Mechanism for this RPF will follow the same mechanism developed for the overall project. The mechanism would include (i) a recording and reporting system, including grievances filed both verbally and in writing, (ii) designated staff with responsibility at various levels of governments, and (iii) a specific protocol for handling grievances including the minimum time frame within which different types of grievances should be addressed.

66. The grievances can be filed either orally to the PO, DL-PIU or VDC staff; in written form; or telephone call to the DL-PIU or PSP. A toll-free number will be provided during communication outreach which will answered by GRM operator at DL-PIU. Additionally, grievances can also be lodged through SMS. Specified format for filing grievances will be developed and used while recording grievances received through any of the aforementioned media. The technological support system to establish and manage the grievances through these media will be provided to the DL-PIU at program implementation.

67. The institutional setup of the project's GRM system will include: (i) VDC/Municipality Grievance Management Committee (VGMC/MGMC); (ii) DDC Grievance Management Sub-Committee (DGMSC); (iii) District Level Grievance Management Committee (DLGMC); (iv) PMU Grievance

Monitoring & Recommendation Committee<sup>4</sup> (PGMC); (v) Central Grievance Monitoring and Policy Reform and Recommendation Committee (CGMPRRC) for the upward flow of grievances.

68. Following the principle of decentralized resolutions, the VDC office and the PO staff at the VDC level and the DL-PIU at the district level will provide technical and logistic support to manage the upward flow of grievances. The PO staff will be responsible for entering and uploading grievance forms into the MIS from the VDC (except in cases where the grievances are against the PO staff or when beneficiaries want to file their grievances anonymously). All reported grievances will be reviewed by the VDC secretary and/or assigned VDC staff, and categorized for local resolution or forwarding to the DL-PIU for district level resolution. The assigned staff at DL-PIU will be responsible for forwarding the grievances against responsible parties at the district level and also higher-level committee in cases of non-resolution (See Figure 1).

69. The DL-PIU will be responsible for communicating the resolutions/progress on the grievances reported to the grievance filers. The communication will be channeled through the VDC office and/or the partner organization staff. The VGMC may convene beneficiaries, including vulnerable groups, relevant stakeholders and other members of the community and CSOs in the area for a public hearing to discuss results of grievance resolutions and further recourse if the beneficiary is still unsatisfied. Beneficiaries may call the DL-PIU office to get information on decision/update on their grievances.

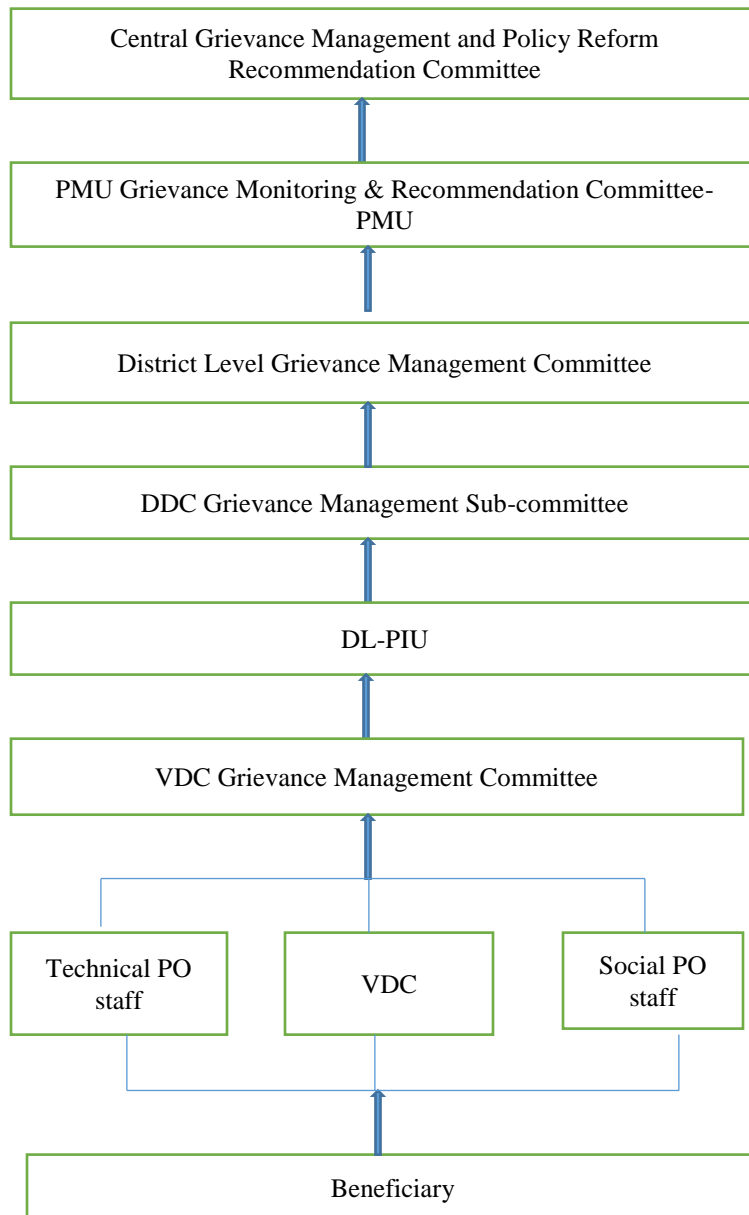
70. Designated staff at DL-PIU will be responsible for following up with the responsible party, entering progress on the grievance handling into MIS and communicating resolution/update to the beneficiary via the VDC and WCF network or through the PO in the district and VDC level. Monitoring team from the DL-PIU and/or DUDBC division offices will also make periodic visits to ensure the resolutions provided and actions recommended are implemented or followed by responsible party and also to ensure that participation in the grievance process has not resulted in negative consequences for the beneficiaries.

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<sup>4</sup> PGMC replaces the Departmental GMC as specified in the GRMP, 2072 document as the latter corresponds specifically to Department of Local Infrastructure Development and Agricultural Roads (DOLIDAR) under MOFALD. The structure and functions of the PGMC and the Central MOFALD level committee are subject to change after the proposed National Reconstruction Agency and corresponding Act come into effect.



Figure 1: Upward Flow of Grievance



PO: Partner Organization

DL-PIU: District Level  
Programme  
Implementation Unit

## **7.2 World Bank Grievance Redress System**

71. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit [www.worldbank.org/grs](http://www.worldbank.org/grs). For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

## **8. PROJECT IMPLEMENTATION ARRANGEMENTS**

72. The Government of Nepal (GoN) has overall responsibility for implementing this multi-sectoral and multi-ministerial project, including its social and environmental management. A high level Steering Committee comprised of officials from MOF, NPC, and both implementing agencies, MOFALD and MOUD under the PMU will be used to guide project activities. Beneath the PMU, MOUD will be responsible for implementing component one, while MOFALD/DoLIDAR will be the primary implementing agency for component two comprising the provision of the grants. A Project Management Unit (PMU) will be located in each Ministry under the overall supervision of the NRAB/MOF/NPC and the interim oversight mechanism pending its formation.

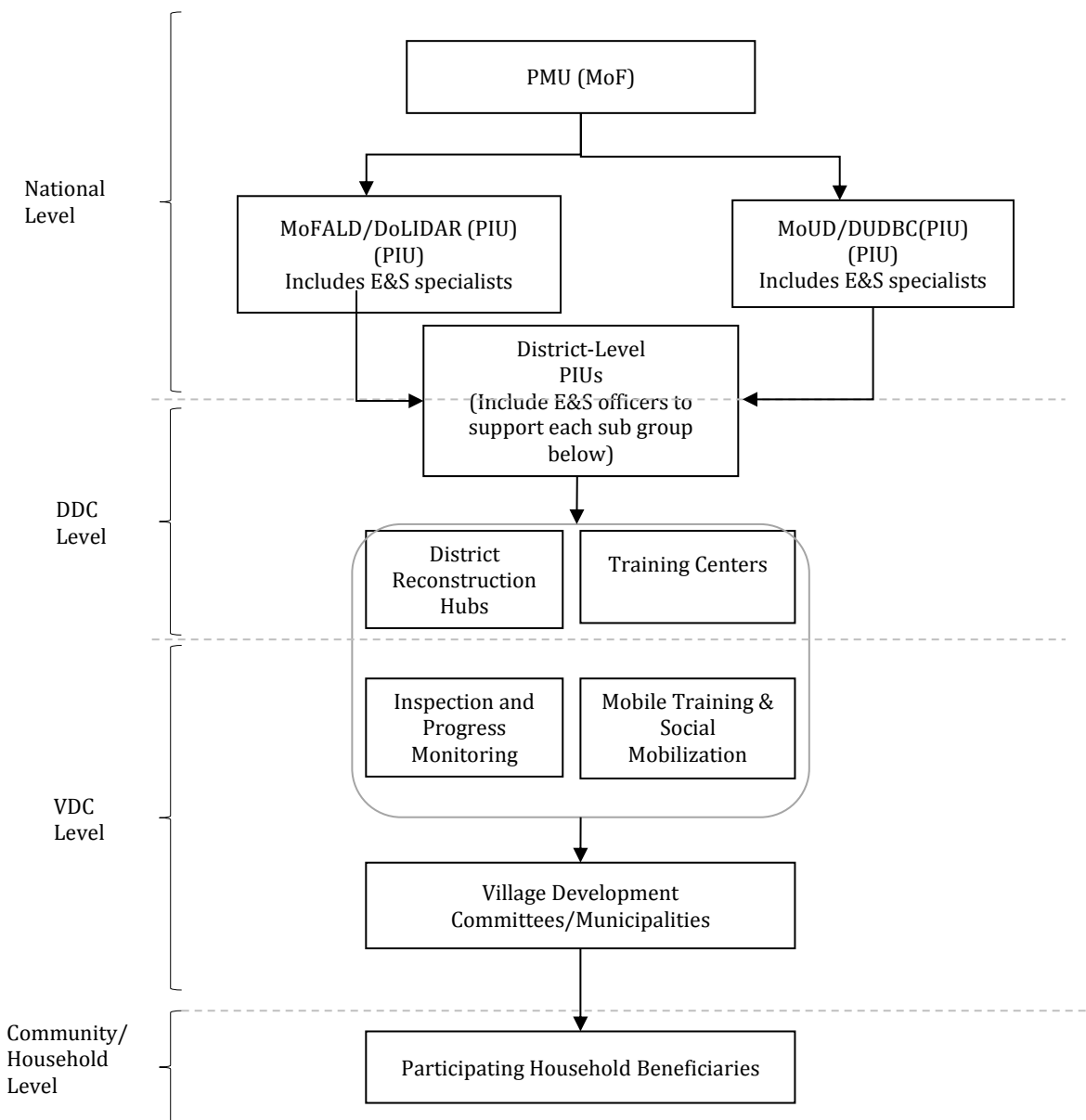
73. The PMUs will be overseen by a project director in one of the two implementing agencies, who will also sit on the steering committee, with project coordinators, who lead work in their respective ministries. Both the PIUs of the implementing ministries MOUD and MOFALD/DoLIDAR will also include Social specialists that will be responsible for ensuring compliance with social issues relating to the project. The Social Specialists at the PIU/PMU will need to ensure that the required principles of avoidance, minimization and mitigation measures are taken care of during site selection, project preparation and implementation/construction stages of the project. This will help facilitate project supervision and monitoring during the implementation stage as well.

74. Under the MoFALD PIU, one or more District-Level Project Implementation Units (DL-PIUs) will be established to provide close technical support and supervision to project activities. The DL-PIUs will manage the majority of district level oversight and coordination tasks, including those relating to project affected populations and vulnerable groups. There will be a Social Specialist at each of the DL-PIUs that will be responsible for screening, preparation, implementation and monitoring of the RAPs/ARAPs prepared for each of the settlements. If required, the DL-PIUs might seek support from the POs and specialists. However, all the RAPs/ARAPs developed under the project will first be reviewed and approved by the central level PIUs and the World Bank before they are implemented.

75. At the local/community level, DL-PIU, VDCs/Municipalities, the beneficiary households themselves will be responsible for the implementation and compliance with the RPF developed for the project. However, a mobile team consisting of technicians and social mobilizer will be available to support the beneficiaries with construction activities as well as for safeguard support and regular monitoring for safeguard compliance.

76. The overall project implementation arrangements, including arrangements for the implementation of this RPF and other safeguards documents, are shown in Figure 2:

**Figure 1: Project Implementation Arrangements**



## 9. MONITORING

77. Monitoring of social activities (including environmental), including this RPF, will be carried out at three levels – at the household levels, at DL-PIU level and at Ministry -PIU level and also by third party. Safeguard monitoring will occur as a regular activity, and will include compliance monitoring, process reviews/audits, reporting of outputs, quarterly monitoring as well as third party monitoring. In addition, supervision/monitoring will entail routine quality certification at various stages of construction. The three stages monitoring plan have been discussed in detail below:

### *Monitoring at the Household level*

78. During construction of individual houses, a mobile team comprising of technicians and social mobilizer will regularly supervise to ensure that the key social and environmental requirements are being considered during the construction. The same team mobilized for the awareness and information dissemination will do the monitoring at the household level. This mobile team will submit environmental and social report to the DL-PIU after each visit. Further, the independent technical party, before it certifies a payment tranche, will receive E & S compliance report from the mobile team that will include progress on the RPF.

### *Monitoring by DL-PIU*

79. The PIU at the District level will conduct periodic (monthly) monitoring of safeguards compliance at the settlement level. The DL-PIU will prepare the monitoring report after each visit, submit this to DDC-ENRC, and organize a briefing session with DDC-ENRC. Initially each settlement will be monitored by the DL-PIU monthly. As implementation progresses, monitoring may be done through sampling, if visiting all settlements/subprojects is not practical. The DL-PIU will be responsible for preparing consolidated quarterly monitoring report, highlighting any major social issue and forward the report to the Central PIUs, which will share these reports with the PMU as well as with the World Bank. The central PIU and/ or World Bank may visit selected subprojects/ settlements.

### *Monitoring by Central- PIU*

80. Monitoring for overall compliance with the provisions in the RPF will be the responsibility of the PIU at the Ministry level. With regards to this RPF, there will be two levels of monitoring that will be conducted by the Central-PIU. In the earthquake affected districts where the housing reconstruction will take place, the central-PIUs will recruit social consultant, whose responsibility includes compliance monitoring. The central -PIU will also be responsible for overall oversight of social and environmental issues, providing guidance, developing policies (if necessary), ensuring that there are no conflicts within communities, coordinating with other programs/projects for synergy and good practices in these earthquake affected areas. The central PIU may visit selected samples of settlements as needed based on review of the consolidated quarterly reports submitted by DL-PIU and typically once in six-month.

81. In addition, the Central-PIU will also be responsible for monitoring resettlement related issues in the areas where the earthquake affected households will be relocated. This will involve at least three levels of monitoring: monitoring prior to the implementation of the RAP/ARAP to ensure that there was sufficient consultations with the affected populations whose land will be acquired to resettle the earthquake affected households, and that eligibility criteria and the method for valuation of land and other assets have been conducted properly; periodic monitoring in the new sites where the displaced populations will be relocated to ensure that the affected persons have been fairly compensated, including being provided with adequate resettlement and rehabilitation assistance; and their livelihoods impacts

will be monitored for at least a period of 5 years on a six months basis to ensure that their livelihoods have improved, or at least is at the same level as prior to resettlement.

### ***Third party monitoring***

82. The PMU will commission a third party project level monitoring. PMU will select a national agency to evaluate the level of compliance with the project's environment safeguard instruments independently. A comprehensive assessment report on social performance will be prepared by the third-party monitoring agency every six-month (half-yearly) for first two-years of implementation (or until project Mid-Term). Thereafter, third party monitoring may be done annually. The third-party monitoring reports will be shared with the World Bank.

## **10. CAPACITY BUILDING**

83. Local capacity building will be critical to the implementation of the above safeguard-related activities. With the current institutional arrangements, local governments, particularly district governments, will need strong support in building up their capacity to fulfill their designated responsibilities. Capacity building will be required at different tiers of project implementation. The capacity building in environmental and social safeguards will contain four aspects.

84. First, the PIUs will determine the staffing needs/ expertise for each level and propose additional staff where required. Additional required support for PIU will be built through hiring of, specialized dedicated manpower and through need-based hiring of environmental and social specialists. At this stage, the minimum social and environmental staff/ expertise needs has been assessed as: (i) a senior Social Safeguard Specialist at central PIUs, (ii) a social safeguard specialist at district level PIU, and (iii) social mobilizer with mobile team. The support at PIU level will be required to internalize social issues in project planning and design in coordination with engineering design team, especially to address the potential impacts as well as to promote good practices. The hiring consultants will be one of the first and most pressing tasks as the terms of references (TOR) must be developed as per the requirements of the project considering the project, technical expertise required, scope of work and budget.

85. Second, the government, with support from the World Bank, will develop a set of planning and implementation tools and guidelines for training of the officials on environmental and social safeguard. These will be used for training and reference for technical staff during implementation.

86. Third, a project-wide training program will be developed and implemented for all environmental and social staff. This will be implemented on a priority basis. The objectives of the environmental and social trainings include providing basic knowledge and information on the key environmental and social issues associated with the proposed interventions to the key project personnel including the other PMU staff, PIUs, VDC and municipalities' staff and project beneficiaries. The sensitization and capacity building of aforementioned key players will be required for ensuring that environment and social dimensions are used/mainstreamed in overall implementation of the project.

87. Different level of assistance is required at different tiers. At the grassroots level the beneficiaries /communities will be trained to mobilize to set up support mechanisms to take care of the weak beneficiaries who lack capacities to undertake construction of houses without external help. Hence, the central PIU in consultation with district-PIU will prepare environmental and social training & awareness raising plan as part of annual work plan. These will, for example, include but not limited to orientations

to: (i) the project staff (central and district) – central PIUs, PMU, District PIU; (ii) the technical/ working support team, (iii) Technical Assistance (TA)/ support agency, partner organization, (iv) District Coordination office/District Reconstruction Center, (v) Ilaka/ VDC Reconstruction Centre, (vi) mobile team, and (v) beneficiary.

## **11. BUDGET REQUIREMENTS FOR IMPLEMENTATION OF RPF**

88. Some of the costs like minimum standards associated with RPF implementation will be a part of the overall project costs as well as costs for the implementation of the ESMF. The precise budget for RAP/ARAP implementation will have to be worked out in detail at a later stage and agreed with the PIU. Further, efforts will be made to merge/link the activities mentioned in the RAP with other programs being implemented by government agencies, organizations, NGOs, INGOs and local communities for augmenting the existing resources. Refer to the Environment and Social Management Framework developed for the project for more details.

## ANNEX 1:

### DRAFT SCREENING FORM FOR POTENTIAL ENVIRONMENTAL AND SOCIAL SAFEGUARDS ISSUES AT THE SETTLEMENT LEVEL AND TO DETERMINE APPLICABILITY OF RELEVANT NEPALI LAWS AND BANK POLICIES

The Project Implementation Unit (PIU) at the district level (DL-PIU) will use this Form to screen each settlement in the VDC/District participating in the project.

1.	Project Title	
2.	Project District	
3.	Name of the VDC	
4	Name of the Settlement, Ward No.	
5	Number of eligible households:	
6	Altitude of the Settlement (in meters)	
6	Nearest road head/highway/headquarter	
7	Settlement ID/no	
8	Proposed Date of Commencement of Work: _____	
	Number of houses damaged	
	Number of houses to be reconstructed	
	Quantity of debris generated (by type)	
	Quantity of reusable materials (by type)	
	Quantity of debris that needs to be disposed	
	Quantity of construction materials needed (Timber, sand, gravel, stone, etc)	
	Any hazardous materials mixed with debris (e.g. from damaged health-posts, medicines, from agro-vet shops/ service etc)	

SN	ISSUES	YES	NO	DO NOT KNOW/remarks
1	Is the proposed sub-project likely to have minimal or no adverse environmental impacts?			OP 4.01 Category C
2	Is the proposed subproject likely to have adverse environmental impacts that are site specific; few if any of them are irreversible, and mitigation measures are readily known or can be designed?			OP 4.01 Category B
3.	Is the proposed subproject likely to have adverse impacts on the health and quality of forests or rights and welfare of people and their level of dependence upon or interaction with forests? Is the proposed subproject likely to bring about changes in the management, protection or utilization of natural forests or plantations?			OP 4.36
4	Will the sub-project be supporting reconstruction, management, or preservation of physical cultural resources?			OP 4.11

	Is the subproject located in, or in the vicinity of, cultural sites? Will the sub-project likely adversely impact physical cultural resources? <sup>5</sup>			
5.	Will the sub-project involve significant conversion or degradation of critical or non-critical natural habitats? <sup>6</sup>			OP 4.04
5	Does the sub-project involve involuntary land acquisition or prior acquisition of land or demolition of existing structures?			OP 4.12
6	Are there any ethnic minority communities present in the project area and are likely to be affected by the proposed sub-project?			OP 4.10
	<b>Physical features</b>			
1	Is the settlement/subproject located in an area susceptible to landslides, rock fall or erosion, flood prone areas and extreme climatic conditions, fogs, avalanche, snow-fall etc? (show in map)			
2	Is the settlement located close to groundwater sources, springs, surface water bodies, riverbank, and watercourses?			
3	How is the terrain? –flat, ridge, undulating, terraced, valley, tar etc.			
4	Any history of erosion, flashflood, landslides, earthquake in the area/ vicinity?			
5	Current land use practice (agriculture, grazing, barren, forest, shrubs-----)			
6	Is the subproject located on prime agricultural land?			
7	Does the sub project significant extraction, diversion or containment of surface or ground water for the local people or agriculture?			
8	Any existing/approved/ potential quarry sites (sand, aggregate, stone, slates, boulders) in the vicinity of the sub-project?			
9	Are these any potential sites/land for debris management/ solid waste management/ reclamation for future use?			
10	Are there any areas or features of high landscape or scenic value on or spots with unique feature in and around the location which could be affected by the project? (examples, viewing point/ ridge/ peak, water-fall, cave, cliff etc)			
11	Any risks (health and safety, location- cliff, ridge etc.) associated with the siting of the sub-project which needs to be taken care?			
	<b>Biological features</b>			
1	Any critical habitat or ecosystem of importance? Is the subproject located in or adjacent to an protected areas/ national forests, wilderness areas, wetlands (Ramsar), biodiversity, critical habitats?			
2	If the subproject is located near the forest, what is the category of the forest- national, community, leasehold, religious etc.?			
3	Any area/ spot in and around the subproject/ settlement that is known as/for wildlife/ bird habitat (examples – bear, longur monkey, red panda, deer, trees where vulture or bats nests, cliff where wild bee hives, etc)			
	Is the settlement/ subproject area a known wildlife movement/ migration route or bird migration route?			
	Is there any water body, river, wetland etc known as important habitat (or renowned) for fishes or aquatic life? Any Ramsar site in the vicinity of the settlement/ subproject?			

<sup>5</sup>Examples of physical cultural resources are archaeological or historical sites, including historic urban areas, religious monuments, structures and/or cemeteries particularly sites recognized by the government.

<sup>6</sup> Critical natural habitats include those habitats that are legally protected, officially proposed for protection, identified by authoritative sources for their high conservation value, or recognized as protected by traditional local communities.



4	Would the sub-project potentially cause adverse impacts to habitats (e.g. modified, natural, and critical habitats) and/or ecosystems and ecosystem services?			
5	Does the Project involve changes to the use of lands and resources that may have adverse impacts on habitats, ecosystems, and/or livelihoods?			
6	Are there any areas/ spots used by the protected, important sensitive species of flora and fauna for breeding, nesting, foraging, resting and for migration?			
7	Would Project activities pose risks to endangered species or their habitat?			
8	Does the sub-project implementation leads to harvesting of natural forests, timber, plantation development, or deforestation?			
9	Any NTFP or medicinal plants in and around the sub-project?			
	<b>Socio-economic and Cultural Features</b>			
1	Is the subproject located in a densely populated area?			
2	How many people comprise a typical household?			
3	How many households are without any land/shelter, any squatters?			
4	Is the subproject located near to the sites of archaeological/historical or cultural importance?			
5	Presence of minority/vulnerable/indigenous population in the area?			
6	Is the sub-project located near cultural or religious place of importance including sacred hill/ peak, sacred cliff, cave and/ or sacred tree?			
7	What household and livelihood support activities typically take place within the affected community?			
8	What are the typical building practices of the affected people and what are the different materials have they used in the past?			
9	Will the project require displacement or relocation of persons in the affected area?			
10	Who are the vulnerable people in the population, also considering those affected by HIV/AIDS etc.?			
11	What is the current availability of water for drinking and personal hygiene,			
12	What is the current provision of social/infrastructure facilities (health posts, sub-health posts, schools, communications, road etc?)			
13	Are there any roads on around the location which cause congestion, environmental problems during project implementation?			
14	Are there any open space, industries, recreation areas which could be affected by the project?			
15	Are there any women headed HH (No. of HHs to be identified) in the settlement.			
16	Are there any conflicts about the use of local resources			
17	What are the programs/ activities ongoing or planned in the settlement/ VDC or subproject area that may be coordinated, linked, and/or worked together for synergy and for 'building better'? Examples: Biogas, improved smokeless stoves, sanitation, micro-hydropower, catchment area/ soil erosion protection, community forest, buffer zone management, trail development, agriculture, composting, flood protection, river training, etc?)			Provide list as an annex.
18	Identification of 'no go' or 'do not disturb' area/ spots/ features based on hazards potential, protected or protection worthy area, common resources, and cultural values.			Provide list, and sketch map.

19	Customized minimum requirements for the subproject/ settlements			Recommend.
20	Identify programs/ activities for coordination and linking for 'building better' and / or synergy.			Identify and list them.

### Screening Conclusions.

- (i) Main environmental issues are:.....
- (ii) Permits/ clearance needed are: .....
- (iii) Main social issues are. ....
- (iv) land acquisition and involuntary resettlement (permanent or temporary) if any;
- (v) Further assessment/ investigation needed and next step.
  - a. Need for any special study:.....
  - b. Preparation of ESMP (main issue to be addressed by the ESMP):.....
  - c. Need for IPDP/VCDP:.....
  - d. Need for IEE or EIA:.....
  - e. Any other requirements/ need/ issue etc:

### Screening Tool Completed and Reviewed by:

Signed by Environmental Specialist in the District Level -PIU:

Name: \_\_\_\_\_

Title and Date: \_\_\_\_\_

Signed by Social Specialist in District Level -PIU:

Name: \_\_\_\_\_

Title and Date: \_\_\_\_\_

Signed by Project Manager in District Level - PIU:

Name: \_\_\_\_\_

Title and Date: \_\_\_\_\_

Presentation/ Briefing to DDC – ENRC done on: .....

Advice, comments, and suggestions from the DDC-ENRC are:..... (Attach details/ minutes).

Screening cleared by DDC – ENRC on: ..... (any condition and/ or suggestion made as part of clearance?).

One copy of this Form and accompanying documentation will be kept in the District Level-PIU, one copy will be sent to the DDC-ENRC, summary to central –PIU, and if necessary, to PMU as well as to the World Bank.

## ANNEX 2:

### SAMPLE FORMAT FOR LAND DONATION ASSESSMENT DATA SHEET

- a) Location map
- b) Documentary proofs of land ownership or rights of use. (notarized or witnessed statements)
- c) Land/ assets acquired

Plot No.	Area, local unit	Area, Sq.Ft equivalent	Description of assets in the land, if any	Date of acquisition (year, month, day)	Previous owner (choose one of the following: Individual/ Government/ Public)	Name of the owner	Previous use (choose one of the following: barren land, farm land, squatter, describe in case of other uses)

### ANNEX 3: COMPARISON OF GON AND WORLD BANK POLICIES ON ENTITLEMENT FOR LAND ACQUISITION, GAPS AND RECOMMENDATIONS

Type of Impact	Entitlement Unit	GoN Policy	World Bank Policy	Recommendations
<b>A. LAND</b>				
Loss of private Land	Families, households	Cash compensation rates established by a Compensation Fixing Committee (CFC), consisting of: (i) Chief District Officer; (ii) Revenue Board Land Administrator; and, (iii) a DDC representative.	Compensation at full replacement cost. For agriculture land pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential within the same vicinity. For urban land, pre-displacement market value of land of equal size and use, with similar facilities and sources within the same vicinity. Replacement land of equivalent productive potential.	Cash compensation equivalent to the amount as per Land Acquisition Act; and Resettlement allowance in cash equivalent to the difference between compensation as per the Land Acquisition Act and full replacement value as per current values in the same vicinity, plus value of all land transaction fees and charges. Families who become landless will receive allotted land as per provisions of the Land Act.
Loss of untitled land	Non-title holder (squatters and encroachers)		Resettlement assistance in lieu of compensation for land occupied (land, cash, and other assets, employment) to at least restore their livelihoods and standards of living to pre-displacement levels.	Resettlement assistance to those most vulnerable to restore pre-displacement level livelihoods. Vulnerable groups may include but not be limited to ethnic minority groups present in the Terai and Hill districts as categorized by GoN, women headed households, the most poor (based on poverty line and the local wealth ratings), the disabled, the elderly and landless/kamaiya families.  Encroachers will not be entitled to any compensation for their affected unauthorized/illegal extensions over public land. Vulnerable encroachers with economic losses may be entitled to assistance as a vulnerable group.
<b>B. HOMES/ STRUCTURES</b>				
- ditto -	Families, households,	Cash compensation	Compensation at full replacement cost. For	Cash compensation in accordance to the Land Acquisition Act. To ensure compensation is at

Type of Impact	Entitlement Unit	GoN Policy	World Bank Policy	Recommendations
	structure owners	determined by Compensation Fixing Committee on the current value of houses and structures, in accordance with the Land Acquisition Act and Land Acquisition Regulations.	houses and structures the market cost of the materials and labor to build a replacement structure of a similar quality or better than the affected structure.	replacement cost, additional resettlement assistance in cash equivalent to cover depreciation over and above compensation amounts provided.
<b>C. ECONOMIC ASSETS</b>				
Income losses for affected HH	Families, households		Compensation at full replacement cost.	Compensate and replace lost assets at their replacement cost. Compensation for perennial crops and trees calculated as annual net product value multiplied by number of years for new crop to start producing. Compensation in cash for lost standing crop.
<b>D. INCOME</b>				
Local HHs	Affected person, families, households		Measure to assist affected people in improving their former living standards, income earning capacity, and production levels, or at least restoring them.	Rehabilitation assistance for lost or severed livelihoods.
Local communities	Affected communities/families		Measures to assist impacted communities to re-establish or re-develop lost community resources.	Compensation for re-establishing or re-constructing lost community resources such as religious and cultural structures.

## ANNEX 4: ENTITLEMENT MATRIX

Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
Residential, Commercial, Pasture and Forestry Land		
Titleholder Encroacher/ Squatter on public land	<p>Provide compensation at full replacement cost, or</p> <p>Provide full title to land of equal area and productivity acceptable to owner in the vicinity.</p> <p>If land is not available elsewhere then provide cash compensation at full replacement cost based on current market rate or Government rate whichever is higher.</p> <p>In case of vulnerable groups preference should be to replace land for land</p> <p>Squatter/encroacher cultivating the effected land for at least three years prior to the cut-off date will be entitled to allocation of land if <i>ailani</i> or other government land is available.</p> <p>However illegal occupants after the cut-off date do not qualify for compensation for land losses.</p> <p>Resettlement assistance in lieu of compensation for land occupied (land, other assets, employment) at least restore their livelihoods and standards of living to pre-displacement levels.</p> <p>In the case of farmland, the AP will be entitled the cultivation disruption allowance equal to one-year production.</p>	<p>A List of available <i>ailani</i> land in each affected VDC</p> <p>A list of affected and entitled persons and the area required</p> <p>Notice to vacate will be served at least 35 days prior to date.</p> <p>If any owner having significant impact receives cash for farmland and purchases replacement farmland from the date of receiving compensation, all related registration fees, taxes and duties will be borne by owner.</p> <p>Case-wise compensation will be either by cash or crop depending on the owner's preferences.</p> <p>To ensure fair compensation, determination of rates established not more than one year prior to project start.</p>
Landlord and Tenant by a written agreement That is yet in practice and to be processed as per 2058 B.S. Amendment in Land Reform Act). Renter/lease holder	<p>Both the landlord &amp; the tenant will be entitled for 50 percent of land compensation amount each (As per 2058 B.S. amendment in Land Reform Act).</p> <p>Non-registered tenant/renter/lease holder does not qualify for compensation for land losses; however they will be entitled to compensation for crops.</p>	Where a renter/leaseholder has a sharecropping arrangement, compensation payable should be apportioned accordingly.
Entitled Person/ Institutions and tenant in accordance with the <i>Guthi</i> Corporation Act 2033.	As per <i>Guthi</i> Corporation Act, 2033	
Titleholder Tenants and landlord As both are the owner of equal (i.e. 50 %) share, hence treated as private land holder.	<p>Compensation for crop, land productivity and other property losses for the duration of temporary occupation.</p> <p>Compensation for other disturbances &amp; damages caused to property.</p> <p>Or, Contractor to negotiate a contract agreement on the rental rate with the owner for temporary acquisition of land.</p> <p>Project and the Contractor to ensure that persons other than the owner affected as a result of temporary acquisition are compensated for the temporary period.</p> <p>Land should be returned to the owner at the end of temporary acquisition period, restored to its original condition or improved as agreed with owner.</p>	<p>The owner/entitled party will sign a temporary occupancy agreement specifying:</p> <p>Period of occupancy,</p> <p>The terms and conditions for calculation of productivity,</p> <p>The frequency of compensation payment, and</p> <p>Land protection and rehabilitation measures.</p> <p>The land will be returned to the owner at the end of temporary acquisition, restored to its original condition.</p>
es Titleholder Lessee/cultivators having agreement with the owner	<ol style="list-style-type: none"> <li>1. Advance notice to harvest crops</li> <li>2. Net value of existing crops where harvesting is not possible.</li> <li>3. The crops, which live, in short time will be paid in accordance with one-year output value. The crops which have lived for several years will be compensated at market</li> </ol>	<p>Inventory of the tree and plant species list</p> <p>List of owner, non-perennial crops and the area (if any) for cultivation should be prepared</p> <p>The APs will get notice 3-6 months in advance regarding the acquisition.</p>

Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
Landless squatter/Encroachers on public land	value on the basis of loss of future production, based on 5 years annual net production for fruit & fodder trees & 3 years annual net production for timber/ fuel wood trees & other perennial crops.	harvesting. Crops grown after the issue of the notice compensated. The work schedule has to be adjusted considering seasons so that for avoiding crop damage. Crop/trees/bamboo market values will be determined in consultation with District agriculture and forestry Where a tenant/renter/lessee & landowner have a settlement arrangement, the compensation payable should be according to the arrangement. Materials may be salvaged with no deduction from
<b>Structures and Other basic facilities</b>		
Full Titleholder Tenant/Renter/Leaseholder (own accommodation) Landless squatter/Encroachers on public land	Compensation for full or partial loss of house and other structures at full replacement cost of materials and labor according to house/structure type, with no deduction for depreciation. Every displaced household is entitled to a housing displacement allowance, based on the established rates per HH, capita, capita income and/or minimum wage rate. Every household will receive transportation allowance on actual cost basis. However, loss of structures other than household and commercial establishments does not entail payment of a displacement allowance Resettlement assistance to those most vulnerable households to restore pre-displacement livelihoods. Every displaced household with business affected will be entitled to receive one time lump sum grant; minimum one month's income based on the nature of business and type of losses assessed on a case to case basis. Daily minimum wage rate may be used as compensation for business loss as basis for calculation when and as applicable. One time cash assistance (displacement allowance) equivalent to one month's rent for moving to alternative premises for commercial establishment The household will be entitled to a rental stipend for loss of rented accommodation Cash compensation for damages to structures resulting from temporary occupation of land at replacement cost.	Replacement cost at market value of house and structures determined by the CDC in consultation with local experts compensation prices will be finalized with participation of representatives. Formal resettlement planning will be undertaken within 10 households from one settlement/residential area if the households having significant impacts opt for resettlement site. Other structures include: toilet, sheds, walls, fences, workshop etc. Materials may be salvaged with no deduction from
Renter/Lessee holder		Non-titleholder (squatters, encroachers) will not be entitled to compensation for their affected unauthorized/illegal structures on public land. Vulnerable encroachers with economic losses may be assisted as a vulnerable group, at established rates by the CDC. Renter/ lessee holder will not be entitled for compensation for structures. However if the structures are made by the tenant, they are entitled to compensation or will be according to the settlement agreement
Titleholder Tenant/lessee holder/renter Landless squatter /Encroacher on public land.	1. Payment of installation charge or compensation for relocation of electricity, telephone line, TV cable drinking water and other infrastructure to the installer, if these exists.	The concerned authority will be requested to assist in the relocation to reinstall or permit the facilities in their new location if applicable/required.
<b>Land and Cultural Assets/ Facilities</b>		
Local community/ User's group	Cash compensation for restoring affected community and cultural resources. Restoration of affected community buildings and structures to at least previous condition, or replacement in areas identified in consultation with affected communities and relevant authorities. Restoration before commencement of the project where necessary, or to be determined in consultation with the community.	Community resources/facilities include: schools, temples/monastery, religious tree, graveyards, ghats, sheds, including the community hall etc. established by community/ CBOs.
Local community User's group	1. Restoration of access to community resources	The land revenue office in the district and concerned VDC/municipality will be requested to assist community in replacement identifying the area nearby.
Forest user's group/Other Groups Concerned	Mitigation measures should be initiated to control erosion caused by tree cutting, and to stabilize and rehabilitate the slopes with suitable bioengineering works and vegetation. Community forestland lost due to road construction should be replaced and reforested according to DoF regulations including others concerned.	List of plant and tree species lost and an assessment for maintaining that kind of vegetation Compensation for trees calculated on the basis of their productive value of affected trees in consultation of

Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
	Advance notice to harvest resources from affected community forest areas. Compensation for trees to the FUG	forestry office and FUG. To minimize damage the department of Forestry will take necessary action.
<b>Allowances</b>		
Titleholder Tenant /Lessee holder, Renter Landless squatter Encroachers on public land.	Every households displaced will be entitled to a housing displacement allowance. Each displaced renter, lessee holder household will be entitled to a rental stipend for loss of rented accommodation. The households affected by partial loss of structures that can be repaired will be entitled to repair allowance for mitigating the loss, not displacement allowance.	Each displaced household will receive housing displacement allowance equivalent to two months poverty line income. Displaced households living on rent will receive 35 months rental stipend equivalent to 0.5 month PLI plus transportation assistance by the project. Allowances will be paid prior to displacement. Partial loss to be calculated as per the cost of replacement and labor cost.
	4. Every household of displaced businesses will be entitled to a business displacement allowance for loss of commercial establishment.	The following cultivation disruption allowances will apply to households with total landholdings of 0.25 ha and smaller than 10 % of their landholdings; households with total landholdings above 0.25 ha who lose more than 25 % of their landholdings; Households whose production levels are severely affected will undergo participatory assessment with LCFs.
	5. Each displaced household will be entitled to transportation assistance to move their belongings. 6. Cultivation disruption allowance for severe disruption to household cultivation levels.	The cultivation disruption allowance will be equal to one month production on the area of land lost, based on published production figures, land type and crop market prices for acquisition.
<b>Vulnerability and Rehabilitation Measures</b>		
Persons in the vicinity of the road who may be adversely affected by the project although they do not lose assets. Female community living near construction section	1. Rehabilitation assistance such as information dissemination regarding project impacts, compensation alternatives and risks. 2. Preferential access to project construction employment opportunities, to the extent possible. 3. Assessment of current economic activities and potential for improvement to these activities, as well as alternative income earning opportunities. 4. Counselling/information dissemination/ skill development training for job upgrading/diversification and other possible support services. 5. Employment opportunity for unskilled labor to female should make compulsory at established rate of at least 33 % female participation.	List of SPAF with potential impact should be prepared in consultation with LCF & Civil Society and market Porters and other providers of non-vehicular transport. Ethnic, occupational cast people Having aged people as household head and having members in the households Women headed poor households Poorest of the poor landless households & squatter Provide clauses in Work Contracts that will require employment quota for local female residents, taking account vulnerable groups.
Households/ APs having significant impacts Households of the vulnerable categories APs family members over 16 years of age	1. Information dissemination regarding project impacts, compensation alternatives and risks, and resettlement options (where required). 2. Technical support on saving schemes and cash management. 3. Preferential access to road construction employment opportunities, to the extent possible. 4. Assessment of current economic activities and potential for improvement to these activities, as well as alternative income earning opportunities. 5. Assistance with training in life skills that would help in obtaining employment and/or earning livelihood. 6. The project will investigate training programs and institutions. In such a case, Funds will be paid directly to the relevant institutions. Or, project by itself will arrange suitable program for its mitigation. 8. Assistance through the implementation of Vulnerable Community Development Plan.	The rehabilitation measures will be targeted to APs having significant adverse impact and to vulnerable groups in the project area, even though they do not lose assets. Training on road construction and hiring workers will be included in Contractors' contracts. APs having significant impact who opt for training are entitled to a training subsistence allowance equal to one three month's minimum wage as established at local level, whichever amount is higher, for the duration of the training course. The respective Agriculture and forestry related Institutions are requested to assist in implementing the forestry and agriculture program if required. Any costs required for this will be borne by the project.
<b>Measures to be taken during Construction</b>		
All categories of	1. Extreme care should be taken by Contractors to avoid damaging public and private	The same entitlement policies will apply as for other



Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
Entitled persons	property unnecessarily. 2. Where damages do occur to public or private property as a result of construction works, the affected parties shall be compensated immediately for damages to crops and trees, damaged land, structure and infrastructure shall be restored immediately to their former conditions.	acquisition.
Property		
Relevant agency	1. Facilities will be repaired or replaced.	To be undertaken in consultation with the relevant ministry
Department of Forest	1. Mitigation by means of afforestation.	An assessment for maintaining that kind of vegetation To be undertaken in consultation with Department of Forest

## ANNEX 5: SUGGESTED TABLE OF CONTENT FOR RESETTLEMENT ACTION PLAN

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. The plan is based on up-to-date and reliable information about (a) the proposed resettlement and its impacts on the displaced persons and other adversely affected groups, and (b) the legal issues involved in resettlement. The resettlement plan covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the resettlement plan.

1. *Description of the project.* General description of the project and identification of the project area.

2. *Potential impacts.* Identification of

- (a) the project component or activities that give rise to resettlement;
- (b) the zone of impact of such component or activities;
- (c) the alternatives considered to avoid or minimize resettlement; and
- (d) the mechanisms established to minimize resettlement, to the extent possible, during project implementation.

3. *Objectives.* The main objectives of the resettlement program.

4. *Socioeconomic studies.* The findings of socioeconomic studies to be conducted in the early stages of project preparation and with the involvement of potentially displaced people, including

- (a) the results of a census survey covering
  - i. current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude subsequent inflows of people from eligibility for compensation and resettlement assistance;
  - ii. standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (including, as relevant, production levels and income derived from both formal and informal economic activities) and standards of living (including health status) of the displaced population;
  - iii. the magnitude of the expected loss—total or partial—of assets, and the extent of displacement, physical or economic;
  - iv. information on vulnerable groups or persons as provided for in OP 4.12, para. 8, for whom special provisions may have to be made; and
  - v. provisions to update information on the displaced people's livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.
- (b) Other studies describing the following
  - i. land tenure and transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the project area;
  - ii. the patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the project;
  - iii. public infrastructure and social services that will be affected; and
  - iv. social and cultural characteristics of displaced communities, including a description of formal and informal institutions (e.g., community organizations, ritual groups, nongovernmental

organizations (NGOs)) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

5. *Legal framework.* The findings of an analysis of the legal framework, covering

6. *Institutional Framework.* The findings of an analysis of the institutional framework covering

- (a) the identification of agencies responsible for resettlement activities and NGOs that may have a role in project implementation;
- (b) an assessment of the institutional capacity of such agencies and NGOs; and
- (c) any steps that are proposed to enhance the institutional capacity of agencies and NGOs responsible for resettlement implementation.

7. *Eligibility.* Definition of displaced persons and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

8. *Valuation of and compensation for losses.* The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

9. *Resettlement measures.* A description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons to achieve the objectives of the World Bank's policy (see OP 4.12, para. 6). In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons, and prepared in consultation with them.

10. *Site selection, site preparation, and relocation.* Alternative relocation sites considered and explanation of those selected, covering

- (a) institutional and technical arrangements for identifying and preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
- (b) any measures necessary to prevent land speculation or influx of ineligible persons at the selected sites;
- (c) procedures for physical relocation under the project, including timetables for site preparation and transfer; and
- (d) legal arrangements for regularizing tenure and transferring titles to resettlers.

11. *Housing, infrastructure, and social services.* Plans to provide (or to finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

12. *Environmental protection and management.* A description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement).

13. *Community participation.* Involvement of resettlers and host communities, including

- (a) a description of the strategy for consultation with and participation of resettlers and hosts in the design and implementation of the resettlement activities;
- (b) a summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
- (c) a review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and

- resettlement assistance, to relocating as individuals families or as parts of preexisting communities or kinship groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries); and
- (d) institutionalized arrangements by which displaced people can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, and women are adequately represented.

*14. Integration with host populations.* Measures to mitigate the impact of resettlement on any host communities, including

- (a) consultations with host communities and local governments;
- (b) arrangements for prompt tendering of any payment due the hosts for land or other assets provided to resettlers;
- (c) arrangements for addressing any conflict that may arise between resettlers and host communities; and
- (d) any measures necessary to augment services (e.g., education, water, health, and production services) in host communities to make them at least comparable to services available to resettlers.

*15. Grievance procedures.* Affordable and accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

*16. Organizational responsibilities.* The organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services; arrangements to ensure appropriate coordination between agencies and jurisdictions involved in implementation; and any measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or resettlers themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

*17. Implementation schedule.* An implementation schedule covering all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

*18. Costs and budget.* Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds, and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

*19. Monitoring and evaluation.* Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate by the Bank, to ensure complete and objective information; performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities; involvement of the displaced persons in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

## **ANNEX 6: SUGGESTED TABLE OF CONTENT FOR ABBREVIATED RESETTLEMENT PLAN**

An abbreviated plan covers the following minimum elements:

- (a) a census survey of displaced persons and valuation of assets;
- (b) description of compensation and other resettlement assistance to be provided;
- (c) consultations with displaced people about acceptable alternatives;
- (d) institutional responsibility for implementation and procedures for grievance redress;
- (e) arrangements for monitoring and implementation; and
- (f) a timetable and budget.