

**Government of Nepal
Ministry of Physical Planning and Works
DEPARTMENT OF ROADS**

**ROAD NETWORK DEVELOPMENT
PROJECT**

Asian Development Bank Loan No. 1876 – NEP (SF)

Updated Resettlement Plan

December 2007

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GLOSSARY

ADB	Asian Development Bank
CBO	Community Based Organizations
CDC	Compensation Determination Committee
CDO	Chief District Officer
CLA	Community Liaison Assistants
COI	Corridor of Impact
DDC	District Development Committee
DOR	Department of Roads
DFID RAP	Department for International Development Rural Assess Program
EIA	Environment Impact Assessment
GoN	Government of Nepal
GTZ	German Technical Assistance
ISA	Initial Social Assessment
JFPR	Japan Fund for Poverty Reduction
LCF	Local Consultative Forums
NEA	Nepal Electricity Authority
NGO	Non-Government Organizations
NMT	Non-Motorized Transport
NRS	Nepalese Rupees
PAP/PAFs	Project Affected Person/Project Affected Families
PAP	Poverty Alleviation Program
PCU	Project Coordination Unit
PDP	Participatory Development Program
PIEMDP	Poverty Intervention and Ethnic Minority Development Plan
PLI	Poverty Level Income
PME	Participatory Monitoring Evaluation
RBG	Road Building Groups
ROW	Right-of-way
RNDP	Road Network Development Project
RP	Resettlement Plan
SDS Team	Social Development Support Team
SAI	Social Impact Assessment
SPAF	Severely Project Affected Family
RMDP	Road Maintenance and Development Project (World Bank-funded)
VDC	Village Development committee
WB	World Bank
ZOI	Zone of influence

DEFINITION OF TERMS

Affected Person (or Household): People (households) affected by project-related changes in use of land, water and other natural resources.

Compensation: The payment in cash or kind to which the people affected are entitled in order to replace the lost asset, resource or income.

Compensation Determination Committee (CDC): The district-level committee established under section 13(2) of the Land Acquisition Act, 2034 (1977) to determine replacement value and compensation rates for property acquired under the act.

Cut-off Date for Eligibility to Entitlements: The cut-off date for eligibility to compensation and assistance under the entitlement matrix. This date will be the date of the survey of affected households and affected assets.

Entitled Person (EP): Any person who is entitled to (i) compensation under the entitlement matrix because of loss of privately owned assets and/or (ii) other rehabilitation assistance.

Encroachers and Squatters: Encroachers are land-owning persons from adjacent settlements who have established commercial enterprises or practice cultivation on public land within the COI of existing roads. Squatters are landless persons occupying public land within the COI of existing roads.

Entitlement: Range of measures comprising compensation, income restoration, transfer assistance and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

Income Restoration: Re-establishing income sources and livelihoods of people affected.

Involuntary Resettlement: Development project results in unavoidable resettlement losses, such that people affected have no option but to rebuild their lives, incomes and asset bases elsewhere.

Local Consultative Forums (LCFs): The VDC-Level committees established to assist the affected population, Compensation Determination Committees and project authorities with the identification of potential replacement land where required, monitoring of implementation issues and community reactions, and grievance resolution.

Poverty Line Income (PLI): The cost of maintaining basic, minimum needs. PLIs have been defined by different organizations and government departments, using factors such as per capita calorie requirements and expenditure on housing and other non-food items.

Relocation: Rebuilding housing, assets, including productive land, and public infrastructure in another location.

Rehabilitation: The measures taken re-establish income, livelihoods, living and social systems.

Replacement Cost: Cost of replacing lost assets and incomes, including cost of transactions. For agricultural land, this includes the market value of land of equal size, type and productive potential in the vicinity of the affected land and preparation costs where required plus the cost of land preparation to levels similar to those of the affected land, plus

the cost of any registration and transfer taxes. For land in urban areas, it is the market value of land of equal size and use, with similar or improved public infrastructure facilities and services and local in the vicinity of the affected land, plus the cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of labour and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset.

Resettlement Effect: Loss of physical and non-physical assets, including homes communities, productive land, income-earning assets and sources, subsistence, resources, cultural sites, social structures, networks, and ties, cultural identify, and mutual help mechanisms.

Resettlement Plan: A time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.

Social Preparation: Process of consultation with affected people undertaken before key resettlement decisions are made, to build their capacity to deal with resettlement.

Titleholder: The person in whose name the project-affected land and/or building is registered and who is authorized by law to receive the compensation granted for the acquisition of the land.

Tenant: A person occupying/utilizing land of a titleholder according to the stipulations of the land act. 2021(1964).

Vulnerable Groups: Social categories whose livelihoods may be particularly vulnerable to disturbances created by the project. These groups include landless, below poverty line, *dalit*, marginalized ethnic groups, and women headed households.

Executive Summary

A. Introduction

1. The Road Network Development Project (RNDP) includes combination of upgrading and maintenance of several existing roads, and construction of a new road in an area not served by the existing road network. The project roads are:

- a) Pavement strengthening of 140 km of the East-West Highway (EWH),
- b) Road improvement of about 168 km: (i) Dolalghat-Chautara (23 km); (ii) Pouwa-Pauwa-Bhanjang-Phidim (24 km); (iii) Hile-Basantapur (22 km); (iv) Biratnagar-Bardanga-Ularbari-Bardanga (65km); and Damak-Gauriganj (21 km),
- c) Constructing 94km Basantapur-Mudhe-Khandbari road to connect headquarters of Sankhuwasabha district, and
- d) Maintenance of about 250 km of EWH.

2. The original Resettlement Plan was prepared in 2001 based on the feasibility study. An Initial Social Assessment (ISA) was carried out in 2000 for the project roads for which only improvements were required. A household census and sample survey were undertaken as part of ISA for Basantapur-Khandbari in 2001. However, they had to be resurveyed during 2004-2006 following the detailed design study to take into account the alignment adjustments and changes in the land acquisition and resettlement aspects.

3. The detailed design tried to minimize the land acquisition and resettlement as much as possible. Many minor alignment shifts were made to avoid houses, shops and associated walls, toilets, etc. and when it involved farm land the land was acquired only after crops were harvested. DoR has further reduced land take by only acquiring land within the construction footprint for each road section (about 5 m, mostly the existing road width) plus 1m on either side of the road rather than acquiring the full right of way of 30m as per the GON norms.

4. Acquisition of 2.3 ha of private land was unavoidable for roads improvement to maintain minimum road safety and standards. For Basantapur-Mudhe-Khandbari road, the Project tried to keep all the works within the 30-m right of way (ROW) that was acquired by the Arun III Hydroelectric Project. However, 3.7 ha land was not paid under the Arun III, which had to be compensated under RNDP. Further, 5.5 ha land outside the Arun III, which was taken by DoR when the road was opened up in 1995, had to be also compensated. The new acquisition for this section involved only 1.1 ha land. The total land acquisition figure for the Project has increased from 3.36 ha in 2001 to 12.6 ha in 2007, mainly due to retroactive compensation of 9.2 ha land for the Arun III alignment and the existing track.

5. The objectives of this updated Resettlement Plan (RP) are to document the process to assess, value and compensate those affected households whose assets loss was unavoidable due to upgrading 5 road sections and the construction of a length of new road. The RP is updated and finalised (from the 2001 original RP) based on a full census and 20% surveys of affected households following the final detail design study of all the roads.

B. Scope of Land Acquisition and Resettlement

6. A total of 1440 households (HH) with 9278 affected persons (APs) have been affected due to implementation of the Project as well as land acquired/affected in 1990s but not compensated earlier. 716 HH are affected by acquisition of private land (27 HH land+ structure; 105 HH land + trees; and 584 HH land only); 68 HH are affected by loss of structures (27 HH structure + land; 10 HH structure + trees; and 31 HH structures only); and

696 HH by loss of trees (105 HH trees + land; 10 HH trees + structure; 581 HH trees only).¹ In addition, 80 HH tenants and 22 HH labourers/porters are also included under affected households. Further, 8 community structures and 18 community forests have been affected. The community structures included 2 religious shrines/temples, 1 toilet, 3 community resting/security posts, and 2 walls. The scale of impact as envisaged in the 2001 RP and in the 2007 update has been summarized in Table 2.1 in the main text.

7. 716 HH were legal owners of the private land and thus were entitled for compensation of acquired land. 622 HH were affected in terms of loss of house/structures and/or trees on the existing or previously declared/acquired ROW, including (i) 41 HH losing house/structures on ROW (40 HH were encroaching/residing on ROW, and 1 was landless squatter); and (ii) 581 HH losing only trees within ROW. Such households were provided with compensation for assets other than land. One landless squatter who was living on ROW in Basantapur was provided with replacement plot in nearby public land to rebuild house. Among 80 sharecropper tenants, all but one tenant were of the informal “sharecropping” arrangement where the sharecropper hands over half the crop to the land owner. While only the formal tenants had legal entitlement to 50% compensation for the crops, this was achieved under the Project for all tenants (formal plus informal) through negotiation with landowners.

C. Resettlement Principles and Entitlement Matrix

8. The resettlement principles and entitlements for the Project are built upon ADB’s Policy on Involuntary Resettlement as well as national laws including the Land Acquisition Act, Public Road Act, and the Land Reform Act. The Project aims to avoid/minimize the resettlement impacts, provide replacement livelihoods and assistance for those who lose their assets and whose livelihoods are adversely affected. These efforts are intended to meet the objective of rendering the APs with a standard of living equal to, or at least no worse than before the project. An entitlement matrix is in Table 7.1 in the main text.

D. Consultation, Participation, Disclosure and Grievance Redress Mechanism

9. Community consultations in each VDC were undertaken during preparation of and updating the RP. Discussions were held with each PAF, with local institutions and representatives of APs. During implementation, further meetings were held when an updated census, inventory of losses and socio-economic surveys of APs were undertaken. Local Consultative Forums (LCF) were set up to keep PAFs informed, consulted and involved in the Project. There was one LCF per affected VDC, which met up to 4-8 times over the Project. Additional LCF meetings and mass meetings were held as required. These LCFs firstly dealt with issues relating to alignment and design, then resettlement and compensation issues arising in the project construction period.

10. The original RP was disclosed at LCF meetings and at mass meetings in each community in each VDC along each road section in 2001. The updated RP Plan was also disclosed at LCF meetings at a number of dates in late 2006 and early 2007 as required under the ADB’s Public Communication Policy. Additionally, the updated RP was placed at several locations, including DOR office, concerned VDCs, and Project field offices. The updated RP was also posted on DOR website.

¹ In exclusive terms, (i) 584 HH lost land only; (ii) 27 HH lost land + structures; (iii) 105 HH lost land + trees; (iv) 10 HH lost structures + trees; (v) 31 HH lost structure only; and (vi) 581 HH lost trees only. With 80 tenants and 22 labourers, this totals to 1440 households.

11. A Grievance Redress mechanism was established for the Project on all road sections. All affected households were individually informed about the social mobilisation input and about the grievance redress procedures. Most grievances have been, however, resolved locally through negotiations with APs without resorting to the formal mechanism.

E. Relocation of Housing, Compensation and Assistance to APs

12. 68 households lost a total of 73 structures—24 houses, 11 house-cum-shops, 19 shops/kiosks and 19 other structures (5 parts of house/baranda, 9 cattle sheds, 1 yard, 1 toilet, 1 kitchen and 2 wells). Among 68 households, 51 HH were physically displaced by losing house or shop, including (i) 22 HH losing residential house; (ii) 11 HH losing house-cum-shop; (iii) 17 HH losing shop/kiosk; and (iv) 1 HH losing separate house and shops. All displaced households have relocated nearby. In terms of relocation site of 51 households losing house/shops, 36 HH have moved to private land and 15 HH have moved within ROW (1 has moved to public land outside ROW).

13. The compensation for the additional land acquired under RNDP has been completed substantially (92%). In terms of retroactive compensation for existing DOR track and remaining compensation for the Arun III, the disbursement so far has been 50% and 86% respectively. The remaining cases involve absentee landowners and legal/court cases and their compensation amount has been deposited to the district account, which will be disbursed by CDO whenever APs come into contact with supporting documents. The efforts in tracing the absentee owners and facilitating to resolve the legal/court cases is underway.

F. Institutional Arrangements

14. The Department of Roads is the Implementing Agency. A resettlement team comprising DOR project managers and consultants (an international with 9 months inputs and a local with 48 months) assist DOR in preparation, implementation and monitoring of the RP, stakeholder participation, information dissemination, and liaison with other Government agencies and programmes. Compensation Determination Committees (CDCs) were established in each concerned District according to the provisions of the Land Acquisition Act by the Chief District Officer. APs representatives were included in CDCs as observers.

15. A grievance redress mechanism was set up on each road section and APs were informed of its existence and the process to use it. Social Mobilisers were deployed to assist APs and vulnerable groups to use this mechanism if necessary. Local consultative forums were established in each VDC and included active representation of local affected people. These were intended to channel information to local people, to receive comments from local people and affected persons and for consultation of communities.

G. Monitoring

16. The Project has established a monitoring system comprising quarterly reporting on implementation of RP. The resettlement team has undertaken regular monitoring, including periodic household surveys to evaluate impact on the income levels and living standards of APs against the baseline established during updating the RP. The quarterly progress reports have been submitted to ADB for review and posted on website.

H. Cost Estimates

17. The estimated costs for the Resettlement Plan is NRs 27,127,417, including (i) costs of acquisition of assets; and (ii) costs associated with rehabilitation and income restoration measures for SPAFs and vulnerable groups. The costs associated with management

activities (institutional arrangements, training and capacity building, technical assistance to DoR) and costs of monitoring and evaluation are covered under the Project's supervision consultancy contract. The original cost estimate in 2001 RP was NRs 10,912, 755 as estimated in 2001. The major increase in anticipated costs arose from the increased land compensation required and inclusion of rehabilitation and the income restoration program.

I. Implementation Schedule

18. Resettlement activities were expected to begin in 2001 and be completed by 2003 but the resettlement activities did not begin until 2004 and were not completed until 2007 for various reasons. The road sections were affected by the security conflict that continued throughout the survey and implementation period. The disruptions caused severe delays and difficulties of travel for surveyors and implementers of Project. Further delays were caused by the loss during the conflict of GoN land survey records on Mudhe-Khandbari and errors in GoN land survey records requiring resurvey of the alignment in some roads.

I Introduction and Background

1. The Government of Nepal (GoN), with the assistance from the Asian Development Bank (ADB), is implementing the Road Network Development Project (the Project) to improve the road network in Nepal. The objective of the Project is to promote economic growth through improved road network and better access to markets and social services in the project districts. The Project's objective is in line with the GON periodic national plans and the Priority Investment Plan in the road sector.

2. The Project includes combination of upgrading and maintenance of several existing roads, and construction of a new road in an area not served by the existing road network. The project roads are:

- e) Pavement strengthening of 140 km of the East-West Highway (EWH),
- f) Road improvement of about 168 km:
 - Dolalghat-Chautara (23 km)
 - Pouwa-Bhanjang-Phidim (24 km)
 - Hile-Basantapur (22 km)
 - Biratnagar-Bardanga-Ularbari-Bardanga (65km)
 - Damak-Gauriganj (21 km)
- g) Constructing 94km Basantapur-Mudhe-Khandbari road to connect headquarters of Sankhuwasabha district, and
- h) Maintenance of about 250 km of EWH.

3. The detailed design was carried out with a view to minimize the land acquisition and involuntary resettlement as much as possible. Many minor alignment shifts were made to avoid houses, shops and associated walls, toilets, cattle sheds, etc. and when it involved farm land the land was acquired only after crops were harvested by the farmers. The DoR has further reduced land take by only acquiring land within the construction footprint for each road section (about 5 m, mostly the existing road width) plus 1m on either side of the road rather than acquiring the full right of way of 30m as per the GON norms.

4. While great care was taken to minimise the extent of land take, acquisition of 2.3 ha of private land was unavoidable for roads improvement to maintain minimum road safety and standards. For Basantapur-Mudhe-Khandbari road, the Project tried to keep all the works within the 30-m right of way (ROW) that was acquired by the Arun III Hydroelectric Project. However, 3.7 ha land was not paid under the Arun III, which had to be compensated by RNDP. Further, 5.5 ha land outside the Arun III, which was taken by DoR when the road was opened up in 1995, had to be also compensated. The new acquisition for this section involved only 1.1 ha land. The total land acquisition figure for the Project has increased from 3.36 ha in 2001 to 12.6 ha in 2007, mainly due to retroactive compensation of 9.2 ha land for the Arun III alignment and the existing track.²

5. The original Resettlement Plan was prepared in 2001 based on the feasibility study. An Initial Social Assessment (ISA) was carried out in 2000 for the project roads for which only improvements were required. A household census and sample survey were undertaken as part of ISA for Basantapur-Khandbari in 2001. However, they had to be resurveyed during 2004-2006 following the detailed design study to take into account the alignment adjustments and changes in the land acquisition and resettlement aspects.

² The feasibility didn't envisage the need for retroactive land compensation for the existing track of the DOR.

6. The objectives of this updated Resettlement Plan (RP) are to document the process undertaken to assess, value and compensate those affected households whose assets loss was unavoidable owing to land take for the upgrading and rehabilitation of 5 road sections and the construction of a length of new road. The RP is updated and finalised (from the 2001 original RP) based on a full census and 20% surveys of affected households following the final detail design study of all the roads. The updated RP was prepared in accordance to ADB's Policy on Involuntary Resettlement (1995) and Operations Manual Section F2 on Involuntary Resettlement (issued in October 2003 and amended in September 2006).

7. The Project was supposed to have started in 2001 but for varying reasons did not commence until 2003 with resettlement activities starting in 2004 and completed by late 2006 for the roads improvement, and in 2007 for Basantapur-Mudhe-Khandbari road construction.

II. Scope of Land Acquisition and Resettlement.

8. A total of 1440 households (HH) with 9278 affected persons (APs) have been affected due to implementation of the Project as well as land acquired/affected in 1990s but not compensated earlier. 716 HH are affected by acquisition of private land (27 HH land+ structure; 105 HH land + trees; and 584 HH land only); 68 HH are affected by loss of structures (27 HH structure + land; 10 HH structure + trees; and 31 HH structures only); and 696 HH by loss of trees (105 HH trees + land; 10 HH trees + structure; 581 HH trees only).³ In addition, 80 HH tenants and 22 HH laborers/porters are also included under affected households. Table 2.1 shows the scale of impact on all roads and compares the scale of impact as envisaged in the 2001 RP and in the 2007 update.

9. 716 HH were legal owners of the private land and thus were entitled for compensation of acquired land. 622 HH were affected in terms of loss of house/structures or trees on the existing or previously declared/acquired ROW, including (i) 41 HH losing house/structures on ROW (40 HH were encroaching/residing on ROW, and 1 was landless squatter); and (ii) 581 HH losing only trees within ROW. Such households were provided with compensation for assets other than land. One landless squatter who was living on ROW in Basantapur was provided with replacement plot in nearby public land to rebuild house. Among 80 sharecropper tenants, all but one tenant were of the informal "sharecropping" arrangement where the sharecropper hands over half the crop to the land owner. While only the formal tenants had legal entitlement to 50% compensation for the crops, this was achieved under the Project for all tenants (formal plus informal) through negotiation with landowners.

10. 8 community structures and 18 community forests have been also affected. The community structures included 2 religious shrines/temple, 1 toilet, 3 community resting/security posts, and 2 walls. The respective communities or user groups were entitled for the compensation of community structures and community forests.

11. As the entitlement database is very detailed, these data are presented for each road separately in volumes called the "Inventory of Losses and Compensation Entitlement". These volumes list each loss for each household separately, and in detail, the value and entitlement and include maps and photographs of structures to be acquired. The findings of the resurvey of all roads are summarized in the following paragraphs (see also Table 2.1).

³ In exclusive terms, (i) 584 HH lost land only; (ii) 27 HH lost land + structures; (iii) 105 HH lost land + trees; (iv) 10 HH lost structures + trees; (v) 31 HH lost structure only; and (vi) 581 HH lost trees only. With 80 tenants and 22 labourers, this totals to 1440 households.

1. Roads Improvement

12. **Dolalghat-Chautara.** The Right of Way (RoW) for this road had been declared prior to 1977 and was deemed to be acquired and owned by the government. The road improvement was confined to the existing 30m RoW. However, 113 households were affected by other losses. Of them, 10 households lost trees plus houses/structures (2 houses, 5 shops/kiosk and 3 other structures) and 103 households lost only trees. Further, 1132 community trees in the 30m RoW were also affected involving 11 forest users groups (FUGs).

13. The compensation has been paid to APs for their affected structures, crops and trees. 10 households who required to relocate their houses/shops/structure within the RoW have been provided compensation and relocation assistance as per the entitlement matrix and have relocated themselves within 5-25m. The compensation has been completed except Rs 6,365 for trees/crops involving absentee owners.

14. **Pouwa-Bhanjang – Phidim.** The RoW for this road also had been declared prior to 1977 and was deemed to be acquired and owned by the government. All the road improvement work was confined to the existing RoW and it didn't involve any additional land acquisition. However, 81 households were affected by other losses. Of them, 3 households lost structures (2 shops/kiosk and 1 cattle shed) and 78 households lost trees only. The compensation has been completed for all assets. APs have relocated the affected structures within 5-25m.

15. **Damak-Gauriganj.** The Right of Way for this road was not gazetted before 1977. A total of 227 households were affected by acquisition of 1 house, 1 house-cum-shop, 1 shop/kiosk, 0.59 ha private land and 438 trees outside the existing road in areas where the existing road width was not sufficient for the road improvement/widening. The compensation has been completed for losses to all the APs, including 32 tenants. Affected houses and temple have been relocated within 5 m.

16. **Biratnagar-Bardanga-Ularbari-Bardanga.** Part of this road was gazetted prior to 1977 and part was not. A total of 464 households were affected by loss of land (1.4 ha), structures (12 house, 3 house-cum-shop, 7 shops/kiosk, 11 other structures), and 2969 trees for road widening and curve reshaping. The compensation has been completed for the house, structures and trees. 85% land compensation has been paid for eligible/available APs, including 46 tenants. The remaining amount that involves absentee owners or legal/court cases has been deposited to the district account for the remaining land. The efforts in tracing the absentee owners and facilitating to resolve the legal/court cases is underway and will continue throughout implementation period. APs have relocated the affected structures within 5-500m.

17. **Hile-Basantapur.** A total of 30 households were affected by loss of land (0.15 ha) and structures (1 house, 2 shops). The compensation has been completed for all the APs, including 2 tenants. One squatter (house) living on the ROW has relocated to replacement land provided near to the road. 2 shops have moved back to their adjoining private land.

2. New Road Construction

18. The Basantapur-Khandbari road will connect Khandbari, the district headquarters of Sankhuwasabha, to the national road network. The road was originally planned under the Arun III Hydro-electric Project, but could not be constructed after the World Bank's withdrawal from the Arun III. However, due to pressure from the local communities, DoR had commenced construction of the Basantapur-Khandbari road in 1995, i.e. before formulation

of RNDP. A track was opened up from Basantapur to Chainpur. A 19 km section had been constructed from Tumlingtar to Khandbari under German Technical Assistance (GTZ) prior to 2003. Of the 94km from Basantapur-Khandbari road, the only section that had not been constructed was from Chainpur to Tumlingtar (25 km). The following paragraphs summarize the scope of land acquisition and resettlement for Basantapur-Mudhe section (financed by ADB) and Mudhe-Khandbari section (financed by FFID).

19. **Basantapur-Mudhe.** 8 households were affected by loss of additional land (0.19 ha) and trees/crops for curve reshaping the bends. The compensation has been completed for this section.

20. **Mudhe – Khandbari.** A total of 517 households were affected on this road section by loss of land and other assets. While the road alignment mostly followed the 30m Right of Way (RoW) acquired by the Arun III in 1990, a number of minor amendments were needed during the detailed design involving 1.1 ha additional land take. Some land (3.7 ha), trees and structures were not completed under the Arun III and had to be paid under RNDP. Additionally, compensation had to be paid (retroactively) for 5.5 ha land on a road track opened by DOR in 1995 where this deviated from the Arun III alignment. An extensive period of investigation, resurvey, verification and finalisation of compensation (at 2006/2007 rate) was required. This was further complicated by the fact that the land records at the Chainpur office were destroyed during the insurgency. The issue of land records was resolved by a special decision of the CDC (chaired by CDO and participated by different political parties and civil society representatives) that the APs of this section could collect their compensation amount based on other documents as well.⁴

21. The compensation for the additional land acquired under RNDP has been completed substantially (99%). In terms of retroactive compensation for existing DOR track and remaining compensation for the Arun III, the disbursement so far has been 50% and 86% respectively. The remaining cases involve absentee landowners and legal/court cases and their compensation amount has been deposited to the district account, which will be disbursed by CDO whenever APs come into contact with supporting documents. The efforts in tracing the absentee owners and facilitating to resolve the legal/court cases is underway.

22. This section also affected several private structures (8 houses, 7 house-cum-shops, 2 shops, and 4 other structures—owned by 16 households), 7984 private trees, 3 community structures, and 4186 community trees owned by 7 FUGs. All affected house/structures and community trees have been compensated. The compensation for private trees has been also substantially completed except for absentee owners, compensation for which has been deposited to the district account. 21 affected porters/wage labourers were identified and have been assisted in getting jobs in road construction and enrolled in poverty intervention programs under the Project. APs have relocated the affected structures --6 HH have moved their shops to nearby Chainpur Bazaar and others within 5-500m.

⁴ These documents included: (i) if possible, *lal purja* (ownership certificate); (ii) if ownership certificate is not available, other relevant documents; (iii) citizenship certificate; (iv) recommendation of VDC; and (v) DOR's letter with recommendation.

Table: 2.1: Scope of Land Acquisition and Resettlement

Description	DC		PP		DG		BBUB		HB		BM		MK		Total Project	
	'01 RP	'07 Up-date	'01 RP	'07 Up-date	01 R P	'07 Up-date	01 R P	'07 Up-date	01 RP	'07 Up-date	01 RP	'07 Up-date	'01 RP	'07 Up-date	'01 RP	'07 Up-date
Total Impact																
Affected Households (HH)	5	113	0	81	0	227	0	464	2	30	0	8	322	517	329	1440
Affected persons (APs)		842		639		1430		3126		183		48		3010		9278
Losing <10% of assets HHs		113		81		224		446		29		8		487		1388
APs		842		639		1411		3005		177		48		2830		8952
Losing ≥10% of assets HH		0		0		3		18		1		0		30		52
APs		0		0		19		121		6		0		180		326
Land Acquisition																
(i) New Acquisition under RNDP (ha)	0.3	0	0.3	0	0	0.59	0.5	1.4	0.34	0.15	0	0.19	1.92	1.1	3.36	3.43
Affected HH		0		0		111		279		27		7		53		477
Compensation paid (%)						92%		90%		100%		100%		99%		92%
(ii) Land in the road opened in 1995														5.5		5.5
Affected HH														184		184
Compensation paid														50%		50%
(iii) Land acquired in 1990 for Arun III														3.7		3.7
Affected HH														55		55
Compensation paid														86%		86%
(iv) Total HH losing land for i-iii above	5	0	0	0	0	111	0	279	2	27	0	7	92	292	99	716
Total land owners paid (HH)		0		0		95		209		27		7		218		556
HH with absentee land owners or legal/court cases		0		0		16		70		0		0		74		160
Private House and Structures																
(i) HH in private land	0	0	0	0	0	0	0	14	2	2	0	0	0	11	2	27
• Residential house		0		0		0		3		0		0		4		7
• House-cum-shop		0		0		0		1		0		0		7		8

Description	DC		PP		DG		BBUB		HB		BM		MK		Total Project	
	'01 RP	'07 Up-date	'01 RP	'07 Up-date	01 R P	'07 Up-date	01 R P	'07 Up-date	01 RP	'07 Up-date	01 RP	'07 Up-date	'01 RP	'07 Up-date	'01 RP	'07 Up-date
• Shop /kiosk		0		0		0		3		2		0		2		7
• Other structures:																
Part of house/baranda		0		0		0		4		0		0		0		4
Cattle shed		0		0		0		2		0		0		2		4
Yard		0		0		0		1		0		0		0		1
(ii) HH in existing ROW/Arun III /public land (encroachers)	5	10	0	3	0	3	0	19	0	1	0	0	30	5	35	41
• Residential house		2		0		1		9		1		0		4		17
• House-cum-shop		0		0		1		2		0		0		0		3
• Shop /kiosk		5		2		1		4		0		0		0		12
• Other structures:																
Part of house/baranda		1		0		0		0		0		0		0		1
Toilet		1		0		0		0		0		0		0		1
Cattle shed		1		1		0		1		0		0		2		5
Kitchen		0		0		0		1		0		0		0		1
Well/tubewell		0		0		0		2		0		0		0		2
(iii) Total HH losing house/shops/structures	5	10	0	3	0	3	0	33	2	3	0	0	30	16	37	68
HH compensated		100%		100%		100%		100%		100%		-		100%		100%
Community Structures																
(i) Religious Shrine/temple		0		0		1		0		0		0		1		2
(ii) Tapstand		0		0		0		0		0		0		1		1
(iii) Community resting/security place		0		0		0		2		0		0		1		3
(iv) Part of village structure (wall etc.)		0		0		0		2		0		0		0		2
Total i-iv		0		0		1		4		0		0		3		8
% compensation paid		0		0		100%		100%		0		0		100%		100%
Private Trees/Crops																

Description	DC		PP		DG		BBUB		HB		BM		MK		Total Project	
	'01 RP	'07 Up-date	'01 RP	'07 Up-date	01 R P	'07 Up-date	01 R P	'07 Up-date	01 RP	'07 Up-date	01 RP	'07 Up-date	'01 RP	'07 Up-date	'01 RP	'07 Up-date
(i) HH losing trees + land	0	0	0	0	0	3	0	79	0	0	0	5	0	18	0	105
(ii) HH losing trees + structures	0	10	0	0	0	0	0	0	0	0	0	0	0	0	0	10
(iii) HH losing trees only (in existing ROW/Arun III etc.)	0	103	0	78	0	81	0	119	0	0	0	1	200	199	200	581
(iv) Total i-iii HH losing trees	0	113	0	78	0	84	0	198	0	0	0	6	200	217	200	696
(v) Total private trees	0	652	0	737	0	438	0	2969	0	0	0	10	3463	7984	3463	12790
Compensation paid		95%		100%		100%		100%		0		91%		93%		95%
Community Forestry																
Community trees acquired	0	1132		0		0		0		0		0		4186		5318
No of affected forest users group	0	11		0		0		0		0		0		7		18
Compensation paid	0	100%		0		0		0		0		0		100%		100%
Other APs																
Landless squatters affected (HH)	0	0	0	0	0	0	0	0	1	1	0	0	0	0	1	1
Squatters HH paid(%)	0	0	0	0	0	0	0	0	0	100%	0	0	0	0	0	100%
Sharecropper Tenants HH	0	0	0	0	0	32	0	46	0	2	0	0	0	0	0	80
Tenants HH paid(%)	0	0	0	0	0	100%	0	100%	0	100%	0	0	0	0	0	100%
Wage Laborers HH	0	0	0	0	0	0	0	1	0	0	0	0	0	21	0	22
Laborers HH assisted with priority job in construction (%)	0	0	0	0	0	0	0	100%	0	0	0	0	0	100%		100%

III. Socio-Economic Information of Affected People

23. The data on the socio-economic characteristics of the project area and affected people along the project roads was collected through household surveys and focus groups, interviews with local officers, and from other published sources. The socio-economic information of affected people and communities is summarized in following paragraphs.

24. **Dolalghat-Chautara:** The road alignment will serve 4 VDCs in one District with a combined 2001 population factored to 2004 of 24,000 in 4,743 households. Sindhupalchowk District is poor and under invested as it ranks 60th out of 75 in terms of the poverty and deprivation index, and 50th on the socio-economic and Infrastructural Development Index, ICIMOD 2003 Indicators of Development.

25. The household listing and census for affected households on the alignment, revealed that there will be 113 affected households; 65% in Sangachwok VDC, 13% in Irkhu, 13% households in Chautara VDC and 1% in Sano Sirubari. 3% of interviewed affected households have heads of household living elsewhere in the District or in Kathmandu.

26. 6% respondents were from the higher status Brahmin caste group but 47% households came from the Chhetri caste group and with Newars forming another 20%. There were only 2.5% households from the occupational group. 23% Hill ethnic groups households were found from the Gurung, Magar, Tamang groups. Of the 15% female headed households, 12% were from the Newar/ Brahmin/ Chhetri group, and 3% from the Hill ethnic group.

27. 842 persons in 113 households will be affected. Average household size was 7.45, with a maximum of 27 and a minimum of 1 in a house. Most households have some land, even if it is very little more than a house plot. All affected households worked on their own land, there are no tenant households directly affected nor are any wage labourer or porter households. The land taken for the road already belongs to the Government although the holder still possesses the "lal purja" for the area.

28. The 20% of affected households interviewed for the socio-economic survey gave further in depth information. 67% of the sample heads of households work their own land with another 6% working as wage labour. Many heads of households are in service jobs (11%), working overseas (3%) and in business (3%). 10% are too old to work, are unemployed or have other employment. Of the sample households, only one has agricultural surplus to sell above its own needs, 22% can grow sufficient food for 9-12 months and 56% can grow sufficient for 6-8 months. 29% households have food sufficiency of less than 6 months.

29. Households have a number of strategies for dealing with food insufficiency. 58% households send a family member out to work as wage labour within the village, 25% send a family member to look for wage employment outside the village. 52% sell livestock, 60% would look for credit to help, and 10 (30%) households have small businesses to assist in survival. 11 households have salaries coming in and 2 have pensions or remittances from members working away.

30. Average household income data were collected revealing an annual income per capita at RS 13,211. The highest incomes were recorded in business oriented households and those with remittances and pensions being regularly paid. Only one household felt that they their employment might be affected as a result of the project and will be accorded priority in employment as unskilled wage labour on the project.

31. Useful skills are already held by the households along the Dolalghat-Chautara road. 40% households have a member with experience of road building, 16 households have experience of stone breaking, 11 of cement mixing, 7 of house building and 6 of carpentry. The hill tribe ethnic groups have the experience of income generation projects, of participation in community groups or social development projects. Similarly it is the women of the Hill tribe ethnic groups who are most used to participating in meetings rather than the Brahmin/ Chhetri/ Newar groups.

32. Most households own a goat and many own a cow. Higher income households frequently also own a buffalo. Most houses have a radio; half of the sample also owns a television, and 30% own a plough. Three houses own a motorcycle and one with a bicycle was identified.

33. The average time taken to reach the District Headquarters is 2.5 hours by bus costing an average of Rs 28. Average walking time to primary schools is around 46 minutes and to secondary schools, 70 minutes. Local traditional healers are located in all communities at about 30 minutes walk, sub-health posts at about 117 minutes and a health post at 110 minutes. Local markets are on average 45 minutes walk away whereas a larger market is around 2.5 hours walking. Only two of the sample households visit the District Centre of Chautara daily and two others twice a week. 18 households visit 1-2 times per month and 10 households only once per year.

34. **Pouwa-Bhanjang – Phidim:** The road alignment will serve 2 VDCs with a combined total of 19,200 people in 3,023 households in 2004. Despite being very poor, in Panchtar is physically better off than some in Nepal, with the District ranking 38th out of 75 in the socio-economic and infrastructural development index, ICIMOD 2003 Indicators of Development.

35. The household listing and census for affected households on the alignment revealed that there were 81 affected resident households in Phidim (90%), (a grouping of Phidim, Lalikhurka and Pouwa Sartap VDCs) and Ranitar (5%). The affected households except 5 households who live elsewhere were interviewed. 22% respondents were from the higher status Brahmin/ Chhetri caste groups and Newars formed 7%. There were 70% households from the hill ethnic groups (Gurung, Limbu, Rai and Sherpa) and only 1 household was from the hill Occupation Caste (Dalit) groups. Of the 5 female headed households, 1 was from the Brahmin/ Chhetri group, 4 from the Hill ethnic groups and none from the Hill occupational caste group.

36. 639 people in 81 households were affected. Average household size was 7.9, with a maximum of 24 and a minimum of 1 in a house. All households have some land, even if it is very little more than a house plot. There are no sharecroppers and no squatters. A sample of 30 households was interviewed for the socio-economic survey. This represents 31% of affected households. Of the 30 households, 3% were female headed. 57% of the sample heads of households work on their land with another 23% working off the farm. Many heads of households are in business (17%). None of the sample households have agricultural surplus to sell above its own needs, 6% can grow sufficient food for 9-12 months and 30% can grow sufficient for 6-8 months. 60% households have food sufficiency of less than 6 months. Of these, 18% households have no food production at all.

37. Households have a number of strategies for dealing with food insufficiency. 25% households send a family member out to work as wage labour within the village, 7% would send a family member to look for wage employment outside the village. 33% would sell livestock, 23% would look for credit to help. 36% households have small businesses to depend on for survival. 4 households have pensions or remittances from members working away.

38. Average household income data were collected revealing relatively high average annual incomes per capita at Rs 14,272. The highest incomes are found in the Newar, Sherpa and Limbu groups at between Rs20-22,000 capita per year. The Brahmin and Rai/Sunawar groups have per capita incomes around Rs 12,500 per annum. The lowest incomes are found in the occupational caste groups where average annual incomes per capita are as low as Rs 8,100. No households felt that they would lose their small businesses or livelihoods as a result of the project.

39. Useful skills are already held by the households along the Pouwa-Phidim road. 9 of the 30 households have a member with experience of road building, 8 households have experience of stone breaking, 8 of cement mixing, 6 of house building, 6 of masonry and 6 of carpentry. The Rai/ Sunawar groups have more experience of income generation projects, of participation in community groups and social development projects than other groups but the other groups all have some familiarity. Similarly it is the women of these groups who are most used to participating in meetings rather than the tribe or occupational caste groups. Those women who are not involved cite lack of time as the main reason for non-involvement.

40. A number of User Groups operate along the road and are known to more than half of households and 19 households have experienced social mobiliser input over the last year. This was mostly in health and vaccination programmes but 3 households are already involved in savings and credit programmes.

41. Most households own a goat and many also own one or more cows. Higher income households have some few buffalos. Most houses have a radio (75%), 30 % of the sample also own a television, and about half own a plough. 2 houses own a motorcycle and 1 has a bicycle.

42. The average time taken to reach the District Headquarters is 2.4 hours walking or by bus costing an average of Rs 40. Average walking time to primary schools is around 50 minutes and to secondary schools, 2 hours. Local traditional healers are located in all VDCs at about 60 minutes walk, sub-health posts or a health post at about 3 hours. Hospitals are found in Phidim or in Ilam. Local markets are on average 110 minutes walk away whereas a larger market is around 2.4 hours walking. Ten sample households visit the District Centre of Phidim daily, 7 household twice a week. 7 households visit up to 6 times per month and 6 households (20%) only once per year.

43. **Damak-Gauriganj:** The Damak-Gauriganj road crosses 4 VDCs from the East/West Highway to Chautara Bazaar. The 2001 population census factored to 2004, reveals that there are around 53,760 people living in these VDCs. Jhapa ranks 6th most developed in socio-economic and infrastructural development index, ICIMOD 2003 Indicators of Development.

44. The household listing survey was able to interview 181 out of 227 affected households. The remaining households are absentee landowners and live out of the District. The following data refers to the 181 households contacted. Of these 10% are female headed, either as widows or because the male head of household is working away.

45. 59% households are affected in Gauradaha VDC, 24% in Juropani, 10% households in Gauriganj VDC and 4% in Lahanpur. 2% of interviewed affected households live elsewhere in the District.

46. 70% respondents were from Brahmin/ Chhetri caste groups and Newars formed 1%. 18% households were from the Terrai ethnic groups and only 4% households were from the Terrai Occupation Caste (Dalit) groups. The Terrai ethnic groups comprise Tharu, Rajbansi,

Sherpa, Nuniya/ Mahato, Satar and Tajpuriya. The Terai Occupational Caste groups are Musahar, Teli and Sahu. 8% households were found from the Gurung, Limbu, Magar, Gharti and Sanyasi groups. Of the 19 female-headed households, 14 were from the Brahmin/Chhetri group, 4 from the Hill ethnic groups and 1 was Terai occupational caste group.

47. 1430 people in 227 households are affected. Average household size was 6.31, with a maximum of 19 and a minimum of 1 in a house. All households own some land, even if it is very little more than a house plot. Average land holding is 0.32 ha and this is well below the level required to feed a household for a year. The well-being survey found that 73% households could not feed themselves for the years from their own production and 40% had food sufficiency of less than 6 months of the year. 32 households are also sharecropper tenants on larger land holdings

48. 30 households were interviewed for the socio-economic survey. This represents 13% of affected households and represents the numbers of affected households interviewed prior to adjustment of the database after alignment checks and reappraisal of land take.

49. Of the 30 households, 3% were female headed. 57% of the sample heads of households work on their land with another 23% working off the farm. Many heads of households are in business (17%). None of the sample households have agricultural surplus to sell above its own needs, 6% can grow sufficient food for 9-12 months and 30% can grow sufficient for 6-8 months. 60% households have food sufficiency of less than 6 months and are ultra poor. Of these, 18% households have no food production at all.

50. Households have a number of strategies for dealing with food insufficiency. 25% households send a family member out to work as wage labour within the village, 7% would send a family member to look for wage employment outside the village. 33% would sell livestock, 23% would look for credit to help. 36% households have small businesses to depend on for survival. 4 households have pensions or remittances from members working away.

51. Average household income data were collected revealing relatively high average annual incomes per capita at Rs 14,272. The highest incomes are found in the Newar, Sherpa and Limbu groups at between Rs20-22,000 capita per year. The Brahmin and Rai/Sunawar groups have per capita incomes around Rs 12,500 per annum. The lowest incomes are found in the occupational caste groups where average annual incomes per capita are as low as Rs 8,100. No households felt that they would lose their small businesses or livelihoods as a result of the project.

52. Useful skills are already held by the households. 9 of the 30 households have a member with experience of road building, 8 households have experience of stone breaking, 8 of cement mixing, 6 of house building, 6 of masonry and 6 of carpentry. The Rai/ Sunawar groups have more experience of income generation projects, of participation in community groups and social development projects than other groups but the other groups all have some familiarity. Similarly it is the women of these groups who are most used to participating in meetings rather than the tribe or occupational caste groups. Those women who are not involved cite lack of time as the main reason for non-involvement.

53. A number of User Groups operate along the road and are known to more than half of households and 19 households have experienced social mobiliser input over the last year. This was mostly in health and vaccination programmes but 3 households are already involved in savings and credit programmes.

54. Most households own a goat and many also own one or more cows. Higher income households have some few buffalos. Most houses have a radio (75%), 30 % of the sample

also own a television, and about half own a plough. 2 houses own a motorcycle and 1 has a bicycle.

55. The average time taken to reach the District Headquarters is 2.4 hours walking or by bus costing an average of Rs 40. Average walking time to primary schools is around 50 minutes and to secondary schools, 2 hours. Local traditional healers are located in all VDCs at about 60 minutes walk, sub-health posts or a health post at about 3 hours. Local markets are on average 110 minutes walk away whereas a larger market is around 2.4 hours walking.

56. Ten sample households visit the District Centre daily, 7 household twice a week. 7 households visit up to 6 times per month and 6 households (20%) only once per year.

57. **Biratnagar-Bardanga-Ularbari-Bardanga:** Morang is physically better off than most in Nepal, with the District ranking 9th most developed in the socio-economic and infrastructural development index, ICIMOD 2003 Indicators of Development. The Biratnagar-Bardanga-Ularbari-Bardanga road crosses 16 VDCs from the East/West Highway at Ularbari through to the outskirts of Biratnagar town. The 2001 population census, factored to 2004 levels, reveals that there are around 206,000 people living in these VDCs. Biratnagar Municipality has not been included in this figure.

58. The household listing and census for affected households on the alignment revealed that there are 464 households; of which 20 HH were absentee landowners so could not be contacted. Female heads of affected households form 11.6 % households, reflecting the level of out migration of males to work elsewhere. Women are more disadvantaged than men through lower status, poorer levels of literacy and lower standards of health.

59. 59% respondents were from the higher status Brahmin/ Chhetri caste groups. There were 34 households from the Terai ethnic groups (10%) and only 34 (10%) households were from the Terai Occupation Caste (Dalit) groups. 5 Hill Dalit/ Occupational Caste Groups were found. The Terai ethnic groups comprise Tharu, Rajbansi, Mandal, Mahji, Satar and Tajpuriya, Hajam, Haluwai/ Shah, Tadev, Marwadi, Baniya and Batar. The Terai Occupational Caste groups are Nuniya/Mahato, Kalwar, Malaha, Thakur/ Nai, Musahar, Teli and Karmakar. 71 Hill ethnic groups households were found from the Rai, Gurung, Limbu, Magar, Tamang, Lama and Giri groups. Of the 48 female headed households, 24 were from the Brahmin/ Chhetri group, 16 were from the Hill ethnic groups and 7 were from the Terai ethnic and occupational caste groups.

60. 3126 people in 464 households are affected. Average household size was 6.75. Most households have some land, even if it is very little more than a house plot. Average land holding is 1.17 ha. Average land loss is less than 2.5% holdings and is about 307 sq. metres. 46 households are also sharecroppers on larger land holdings but only one household has a formal tenancy agreement. 1 Household depends on wage labour.

61. The 20% of affected households interviewed for the socio-economic survey gave further in depth information. This information came from 65 households, of which 10 were female headed. 46% of the sample heads of households work on their land with another 3% working only as wage labour. A further 6% farm their land and also sharecrop other land. Many heads of households are in business (17%), service jobs (11%), working overseas (6%). 10% are too old to work, are unemployed or have other employment. Of the sample households, only 17 have agricultural surplus to sell above its own needs (24%), 22% can grow sufficient food for 9-12 months and 15% can grow sufficient for 6-8 months. 31% households have food sufficiency of less than 6 months.

62. Households have a number of strategies for dealing with food insufficiency. 8% households would send a family member out to work as wage labour within the village, 6% would send a family member to look for wage employment outside the village. 16% would sell livestock, 14% would look for credit to help, and 20 (12%) households have small businesses to assist in survival. 10 households have salaries coming in and 4 have pensions or remittances from members working away.

63. Average household income data were collected revealing an average annual income per capita at RS 12,557, well above the average poverty level. The highest incomes were recorded in business oriented households and those with remittances and pensions being regularly paid. Only one household felt that their employment might be affected as a result of the project, who have been accorded priority in employment as unskilled wage labour on the project. Some households felt their businesses and productive land would be affected causing difficulty for them.

64. Useful skills are already held by the households along the Biratnagar-Rangelli-Ularbari-Bardanga Road. 5 of the 65 households have a member with experience of road building, 5 households have experience of stone breaking, 4 of cement mixing, 3 of house building and 7 of carpentry. Brahmin and Chhetri groups have most experience of income generation projects, of participation in community groups or social development projects but the hill tribe groups having experience of community and social development activity. Similarly it is the women of the Brahmin/ Chhetri groups who are most used to participating in meetings rather more than in the other groups. 10 women cite fear of discrimination or lack of confidence for their reluctance to participate.

65. Most Brahmin and Chhetri households own buffaloes, goats and many also own a cow. Overall, 37% households owned a buffalo, 62% households owned goats and 8% owned pigs (only Hill tribes and Terai occupational caste households). The Terai ethnic groups do not tend to own livestock. 72% of houses have a radio, and 64% households own a television, and 46% own a plough. Four houses own a motorcycle and 55 (85%) households own a bicycle.

66. The average time taken to reach the District Headquarters is 5 hours by bus costing an average of Rs 81. Average walking time to primary schools is around 27 minutes and to secondary schools, 34 minutes. Local traditional healers are located in all communities at about 32 minutes walk, sub-health posts at about 61 minutes and a health post at 115 minutes. Hospitals are found in Biratnagar. Local markets are on average 45 minutes walk away whereas a larger market is around 2.5 - 4 hours walk.

67. Only 7 of the sample households visit the District Centre of Biratnagar twice a week and 16 others once a month. 21 households visit 2-7 times per month and 21 households only once per year.

68. **Hile-Basantapur-Mudhe:** The Hile Basantapur Mudhe road section will serve 6 VDCs in three Districts, Dhankuta, Terathum and Sankhuwasabha, and one Municipality with a combined population of 46,670 and 9,000 households. Most affected households live in Dhankuta District, only a short length but including Basantapur Bazaar falls in Terathum District. The 13km from Basantapur to Mudhe fall in Sankhuwasabha District.

69. There were 38 affected households. 37% affected households were from the higher status Brahmin/ Chhetri caste groups and Newars formed 3%. 57% were from the hill ethnic groups (Gurung, Limbu, Rai and Magar) and only 1 household was from the hill Occupation Caste (Dalit) groups.

70. 231 people in 38 households were affected. Average household size was 6.1, with a maximum of 15 and a minimum of 2 in a house. There are 2 sharecroppers and 1 squatter households. 25 households were interviewed for the socio-economic survey.

71. Of the 25 households, only 1 was headed by a Sherpa woman. 52% of the sample heads of households work on their land with another 12% working off the farm. Many heads of households are in business (32%). Only one of the sample households has an agricultural surplus to sell above its own needs, 4% can grow sufficient food for 9-12 months and 40% can grow sufficient for 6-8 months. 44% households have food sufficiency of less than 6 months and most of these are ultra poor. Of these, 20% households have no food production at all.

72. Households have a number of strategies for dealing with food insufficiency. 32% households would send a family member out to work as wage labour within or outside the village. 35% would sell livestock, 40% would look for credit to help. 52% households have small businesses to depend on for survival. 4 households have pensions or remittances from members working away.

73. Average household income data were collected revealing relatively high average annual incomes per capita at Rs 29,000. The highest incomes are found in the Newar (businessmen) group at Rs 50,700, and the Rai, Limbu and Brahmin groups at between Rs20-23,000 capita per year. The Chhetri, Gurung and Magar groups have per capita incomes around Rs 10-17,000 per annum. The lowest incomes are found in the occupational caste groups where average annual incomes per capita are as low as Rs 3,200.

74. Useful skills are already held by the households along the Hile-Basantapur-Mudhe road. 8 of the 25 households have a member with experience of road building, 6 households have experience of stone breaking, 3 of cement mixing, 2 of house building, 2 of masonry and 1 of carpentry. Almost all households groups have experience of income generation projects, of participation in community groups and social development projects. Similarly, women of these groups are most used to participating in meetings. Those women who are not involved cite lack of time as the main reason for non-involvement.

75. A number of User Groups operate along the road and are known to most households and 19 households have experienced social mobiliser input over the last year. This was mostly in health and vaccination programmes but 4 households are already involved in savings and credit programmes.

76. Not all households own animals, 9 households own a goat and about the same number own cattle and/or buffaloes. Higher income households are most likely to own buffalos. Most houses have a radio (88%), 60 % of the sample also own a television, and about a third own a plough. 3 houses own a bicycle.

77. The average time taken to reach the District Headquarters is around 2 hours walking or by bus costing an average of Rs 333. Average walking time to primary schools is around 33 minutes and to secondary schools, 44 minutes. Local traditional healers are located in all VDCs at about 57 minutes walk, sub-health posts or a health post at about 80 minutes. Hospitals are found in Dhankuta. Local markets are on average 50 minutes walk away whereas a larger market is around 5-6 hours walk. Only one sample household visits the District Centre twice per week, 8 households once a month. 5 households visit between 2-8 times per month.

78. **Mudhe-Khandbari:** In 2001, the total population along the road was 54,700 in 9,845 households in 6 VDCs in Sankhuwasabha district. The main ethnic/caste groups are Brahmin, Chhetri, Newar, Limbu, Rai, Gurung, and Tamang, together with some scheduled/

occupational caste groups (e.g. Kumal, Damai, Kami, Sarki, and Bhote). The household surveys were undertaken in two sections: Mudhe to Chainpur and Chainpur to Khandbari, reflecting the time difference in undertaking the surveys.

79. Mudhe-Chainpur: 165 affected households were contacted with an average family size of 4.6. No affected tenant households were identified. 21 porters households (with an average of three members per household working as porters) were found who were concerned about the potential impact of the road on their income.

80. The 20% of affected households interviewed for the socio-economic survey gave further in depth information. These statistics are drawn from a sample of 36 households. 56% of the sample heads of households work on their own land with another 4% working in service jobs (13%) or working overseas (3%). Only one household had a female head. No household was food sufficient all year round. Of the sample households 44% can grow sufficient food for 9-12 months and 36% can grow sufficient for 6-8 months. 19% households have food sufficiency of less than 6 months.

81. Households have a number of strategies for dealing with food insufficiency. 55% households send a family member out to work as wage labour within the village, 11% would send a family member to look for wage employment outside the village. 78% would sell livestock, 64% would look for credit to help, and 7 households have small businesses to depend on for survival. 5 households have pensions or remittances from members working away.

82. Average household income data were collected revealing relatively high average annual incomes per capita at Rs 17-26,000 in the Brahmin/ Chhetri groups but very low average incomes per capita at Rs 9,302. Gurung and Newar groups have per capita incomes below the poverty level at around Rs 9,000 per annum. The lowest incomes are found in the Magar and occupational caste groups where average annual incomes per capita are as low as Rs 4-5,000. 21 porter households are accorded priority in employment as unskilled wage labour on the project.

83. Useful skills are already held by the households along the Mudhe-Chainpur road. 31 of the 36 households have a member with experience of road building, 24 (66%) households have experience of stone breaking, 14 (40%) of cement mixing, 6 of house building and 6 of masonry. Only the Brahmin/ Chhetri groups have experience of income generation projects, of participation in community groups or social development projects. Similarly it is the women of these groups who are most used to participating in meetings rather than the tribe or occupational caste groups.

84. A number of User Groups and a savings and credit scheme operate along the road and are known to two thirds of households, some social mobiliser input has occurred. Most households own a goat and many also own a cow. Higher income households have some few buffalos. 54% houses have a radio, 6 households (18%) of the sample also own a television, and about 70% own a plough.

85. The average time taken to reach the District Headquarters is more than 2 days walking. Average walking time to primary schools is around 30 minutes and to secondary schools, nearly two hours. Local traditional healers are located at about 3 hours walk, sub-health posts or health post at about 4 hours. Local markets are on average 5 hours walk away whereas a larger market is around 1.5 days walking.

86. Chainpur to Khandbari: The household listing and census for affected households on the alignment was able to contact only 174 households out of the total affected households. The remainder have fled to safer areas or belong to absentee owners living out of the

District. There are 13% affected households in Chainpur VDC, 14% in Baneswor, 71% households in Karang VDC. 2% owners of affected households live elsewhere. 24% were absentee.

87. 14% households were from the higher status Brahmin caste group but 33% households came from the Chhetri caste group and with Newars forming 17%. There were only 14 households from the occupational group (8%). 49 Hill ethnic groups' households were found from the Rai and Tamang groups (28%). Of the 14 female headed households, 11 were from the Newar/ Brahmin/ Chhetri group, 1 was a Dalit household and 1 from the Rai ethnic group.

88. Average household size was 6.8, with a maximum of 15 and a minimum of 1 in a house. Most households have some land, even if it is very little more than a house plot. All affected households worked on their own land, there are no tenant households directly affected nor are any wage labourer only households. The 20% of affected households interviewed for the socio-economic survey gave further in depth information. This was an in-depth survey of 39 households.

89. 64% of the sample heads of households work on their land with another 5% working as wage labour. 13% households have to sharecrop land in addition to their own land. Some heads of households are in service jobs (7%), working overseas (10%) and in business (3%). Of the 39 sample households, 9 have agricultural surplus to sell above its own needs, 7 can grow sufficient food for 9-12 months and 11 can grow sufficient for 6-8 months. 12 households, 30%, have food sufficiency of less than 6 months.

90. Households have a number of strategies for dealing with food insufficiency. 28% households send a family member out to work as wage labour within the village, 12% would send a family member to look for wage employment outside the village. 50% would sell livestock, 33% would look for credit to help, and 3 (8%) households have small businesses to assist in survival. 5 households have salaries coming in and 12 have pensions or remittances from members working away.

91. Average household income data were collected revealing a relatively high average annual income per capita at Rs 14,756. The highest incomes were recorded in business oriented households and those with remittances from overseas employment in the Gulf or elsewhere in Asia and pensions being regularly paid. The highest incomes were recorded in the Dalit households who had many family members working away from the District sending back money regularly. The poorest were the Tamang households. Only one household felt that their employment might be affected as a result of the project, which is accorded priority in employment as unskilled wage labour on the project.

92. Useful skills are already held by the households along the Chainpur to Sabha Khola section of the road. 14 of the 39 households have a member with experience of road building, 17 households have experience of stone breaking, 6 of cement mixing, 6 in masonry, 4 of house building and 4 of carpentry.

93. Only 2 Chhetri households have experience of income generation projects, but almost all households participate in community groups or social development projects. Women from most households are used to participating in meetings, those that do not cite lack of time and too many chores as their reason for non participation. A number of User Groups operate along the road and are known to most households. 75% of the households had had experience of social mobiliser input through 4 different projects in the last year. These were health or education, plantations and agricultural activities, informal education and 17 households with savings and credit schemes.

94. 80% households own a goat and a cow. Higher income households frequently also own a pair of buffalo and pigs are owned by 25% households. Asset ownership is low. Only 12% houses have a radio, 4% of the sample owns a television, and 9% own a plough. No households own vehicles or any other means of transport.

95. The average walking time taken to reach the District Headquarters is 10 hours. Average walking time to primary schools is around 45 minutes and to secondary schools, 82 minutes. Local traditional healers are located at about 2 hours walk, sub-health posts at about 3.4 hours minutes and a health post at 140 minutes. The Hospital is in Khandbari. Local markets are on average 2.7 hours walk away whereas the District market is around 10 hours walking. Only two of the sample households visit the District Centre of Khandbari twice a week. 9 households visit 1-2 times per month and 28 (70%) households only once per year.

IV. Consultation/Participation, Information Dissemination and Disclosure

A. Consultation with Affected People, Community and Other Stakeholders

96. Many households/groups as primary stakeholders in the Project area needed inclusion in the project process. These included landowners, sharecroppers, labourers, shop owners, other stakeholders. The consultation programme was designed to ensure that stakeholders received information and participated in the planning process. Community consultations in each VDC were undertaken during the PPTA and later in the preparation of and updating the RP. Discussions were held with each PAF, with local institutions and representatives of APs. During implementation, further meetings were held when an updated census, inventory of losses and socio-economic surveys of APs were undertaken.

97. The DoR Project Managers set up Local Consultative Forums (LCF) (see section VII) to keep PAFs informed, consulted and involved in the Project. There was one LCF per affected VDC, which met up to 4-8 times over the Project. Additional LCF meetings and mass meetings were held as required. These LCFs firstly dealt with issues relating to alignment and design, then resettlement and compensation issues and on implementation issues arising in the project construction period.

98. Written instructions for the formation, conduct and recording of the LCF meetings were issued to each Project Manager and discussed in a workshop at the start of resettlement activities. The Project Manager and the Local Resettlement Consultant used the LCF mechanism to meet each VDC and Ward and APs representatives at intervals throughout the project. These meetings were called to consult communities over the alignment, to formally disclose the updated RP, discuss compensation difficulties and anomalies, and resolve grievances and outstanding issues. Records have been kept of these meetings and decisions. Additionally, representation from the PAFs and the VDCs to the Local Consultative Forums and the Compensation Determination Committee (as observer) was considered an improvement over the previous practices of compensation determination and payment without consultation.

99. The consultation was also undertaken with other stakeholders. The Government Departments, District Administration and line agencies, VDCs, NGOs and CBOs were consulted during preparation of the updated RP, during the CDC deliberations, and during the LCFs meetings. This process has continued during implementation and monitoring .

B. Information Dissemination and Disclosure

100. Several modes of information dissemination were used:
- (i) Participation of and direct interaction with people of affected areas and officials of relevant institution. This involved information dissemination by project officials and relevant agencies to public gatherings as part of the EIA study, the feasibility study, the original census and survey of PAFs in 2001, and census and survey of PAFs in 2004-2006 for the updated final designs.
 - (ii) An information leaflet describing the project and a summary of its resettlement policy/ entitlement was prepared in Nepali and distributed to each affected household and to institutions in the local area. On Basantapur-Mudhe-Khandbari, a project calendar was produced including the same material and widely distributed to households, offices and other stakeholders.
 - (iii) The original RP was disclosed at LCF meetings and at mass meetings in each community in each VDC along each road section in 2001. The updated RP Plan was also disclosed at LCF meetings at a number of dates in late 2006 and early 2007 as required under the ADB's Public Communication Policy.
 - (iv) Additionally, the updated RP was placed at several locations, including DOR office, concerned VDCs, and Project field offices. The updated RP was also posted on DOR website.

101. Issues raised by stakeholders during the consultation were focussed primarily on the impacts of the alignment and associated land and asset acquisition and secondly on aspects of the entitlement matrix.

102. Initial alignment surveys for each road section produced a first list of potential asset loss impacts which were valued for compensation and then discussed with communities. In the light of the high costs of compensation and community suggestions for adjustments to reduce land take and asset loss, each alignment went through a series of minor adjustments to reduce losses until communities were satisfied and the impacts of acquisition reduced to a minimum and compensation costs reduced. This took several cycles of investigation, valuation and consultation. During these sessions, community requests for locations for bus and truck stands and passing places and water off take points were proposed, considered and included where feasible.

103. The contents of the entitlement matrix were discussed with each household during the surveys and at subsequent meetings where clarification and discussion was needed. The transparency with which the provisions were made available and the equitable application to all households was greatly appreciated

V Grievance Redress Mechanism

104. Under the Land Acquisition Act 2034 (1977), Project affected persons (APs) have formal recourse to Chief District Officer (CDO) and Ministry for Home Affairs in case of grievance. The official grievance redress process is that project level complainants come to speak about injustices to the CDO in person. If the CDO takes up the case, he will request his District Administrative Officer to research the problem and convene an inquiry at which the complainant will make his or her case. Under the Act, objections to the level of compensation offered by CDO can be made to the Ministry of Home Affairs, but as the CDO is the line officer for the Ministry at the district level, the case is usually referred back to the CDO. Currently, the official grievance procedure only relates to land acquisition and the final recourse is to the court of law for adjudication. This provision is more formalistic and not so suitable and/or affordable to the poor people.

105. Under the Project, various methods were used to address the grievances and reduce the conflict. Full and prior consultation of communities prior to the issuing of land acquisition notices, use of the cut off date for qualification for compensation, timely measurement of land with transparent compensation assessment processes, and quick payment of compensation has reduced the impact of resettlement and the occurrence of complaints. In particular, it has reduced or removed the need for affected communities to resort to blocking roads and prevention of works. There were no legally enforceable time limits imposed on negotiations for grievance.

106. The LCFs were designed to help arbitrate local problems before they escalated to the point at which appeal is made to the CDO. The RNDP grievance redress mechanism allowed APs to approach the social mobilisers and be assisted to approach the LCF with their problem. The problem was discussed at the local level with the aim of brokering a settlement and resolving the difficulty. The presence of the Project Manager and the social mobilisers acting as intermediary for the more disadvantaged, assisted many smaller problems being sorted out locally and reduced the need to approach the CDO. Such intervention supported existing cultural practices, though not challenging or duplicating local systems and processes, and enabled them to work more effectively and more equitably.

107. The presence of RNDP social mobilisers facilitated access to the official system for the poor, low caste and disadvantaged and had the effect of making the process more transparent. Social mobilisers enabled greater and fairer negotiations with the project over minor compensation arrangements. The Project Office was responsible for recording grievances that were brought to the LCF and their resolution.

108. The grievance process is therefore consisted different layers as follows:

- Discussion with LCF and social mobiliser
- Discussion with the VDC and social mobiliser
- Discussion with GRC or CDO with social mobiliser as observer
- Legal remedies under court of law.

109. Issues raised usually concerned the entitlement to compensation and on compensation for the land under the existing road. Where roads had been gazetted before 1977, no compensation could be paid for land within the gazetted Right of Way as per the law (compensation was provided for other assets like house, trees, structures etc.). This was accepted on all roads except for Dolalghat-Chautara where communities initially rejected the concept that the land had been acquired so many years before. This caused major arguments and required multiple community meetings to gain community agreement for works to progress on this road section. The community are still refusing to complete application forms to transfer the land to DoR despite the fact that they are still paying land revenue taxation on this land.

110. Further community dissent on this road surrounded the payment for compensation for community forest trees from 11 small sections where land was taken along the alignment for widening. The Department of Forestry was reluctant to sanction compensation for Forest User Groups (FUG), as the Government had donated these trees to the FUGs and paying to buy them back was problematic under Government of Nepal norms. Many meetings with District officers and the community were required to solve these issues. Neither issue resulted in a formal submission to the formal grievance redress mechanism.

111. On Pouwa-Bhanjang – Phidim road section, one farmer did not agree to the Government of Nepal norm for valuing his cardamom plants and this took a number of visits from the Resettlement Consultants to resolve the issue. The issue was resolved by negotiation with the farmer without recourse to the formal grievance redress mechanism.

112. On Damak-Gauriganj, differences of opinion on the necessary minor alignment changes and resettlement needs were resolved at local level satisfactorily for local people.

113. On Biratnagar-Bardanga-Ularbari-Bardanga, difficulties revolved around absentee landlords, difficulties in citizenship certificates, and errors in measurements for land take in the previous survey by the Land Survey Office. Resolution of these difficulties required the District Survey Office re-measuring and re-plotting the official records, but there were no formal recourse to the grievance redress mechanism.

114. On Hile-Basantapur-Mudhe, problems arose at Basantapur market where the official Arun III alignment by-passed the Bazaar and where the existing roadway was narrow for the preferred alignment specification. Considerable debate was held with different factions of the Bazaar community over the need for widening and the compensation available for partially demolishing shop fronts. In the end, the community and DoR decided to accept the minimal road width possible without demolishing existing shops and thus minimising resettlement. Only two small structures needed removal from the bazaar and these were fully compensated.

115. Similarly, discussions were held with the owner of the land on which a squatter had built a house and the issue was successfully resolved with the rebuilding of the squatter's house nearby on Government land with full compensation. Other difficulties on this alignment arose out of differences in spelling between the names of people on the Household census and those on the *lal purjas*. This required considerable rechecking and much activity in getting *lal purjas* changed to reflect inheritance. None of these issues required recourse to the formal grievance redress mechanism, but were resolved at the project level.

116. Negotiations have been completed on Basantapur-Mudhe-Khandbari. Difficulties that arose have been associated with providing compensation for land under the existing road track opened by DOR in 1995, when compensation had not been paid. DOR finally agreed in 2005 to pay compensation retroactively for the track opened previously. The land compensation for this section was delayed due to the fact that the Land Survey Office in Chainpur was burned out during the insurgency with the loss of all land records. Nevertheless, the CDC resolved this issue with a special decision to provide compensation with other supporting documents also. The compensation is now substantially completed except for absentee owners and/or involving legal/court cases.

117. Further community representation on Basantapur-Mudhe-Khandbari was made to finalise compensation for trees on land previously compensated but for which the tree payments had not been made. Considerable effort was made to trace previous records and finalise entitlement and get these paid. These issues were all dealt with and resolved in meetings with individuals – both male and female – small community groups, groups of APs representatives and mass community meetings. These have been documented and are available for inspection at the Project Offices.

118. Future difficulties during construction will be dealt with in a similar fashion, utilising the social mobilisers, the local NGO, the Project Manager and Project Engineers, Chief Resident Engineer and RNDP Consultants to look for and implement local solutions to local problems.

VI Legislation and Policy Framework

A Legislation

119. **The Land Acquisition Act 2034 (1977)** empowers GoN to acquire any land, on the payment of compensation, for public purposes and works. The acquisition and compensation of privately owned assets are undertaken according to a formal procedure, consisting of:

- Initial procedures,
- A preliminary investigation process,
- Acquisition notification,
- Compensation notification,
- Payment and appeal procedures.

120. Compensation Determination Committees are established at District level to determine compensation rates for land and other assets. Compensation will be paid for damages caused as a result of investigations during the preliminary investigation process, and for land and assets permanently acquired by the project (including, standing crops, trees and houses). Compensation will be in cash (lump sum), although titleholders who have lost all of their landholdings may be given replacement land, if available.

121. **The Public Road Act 2031 (1974)** provides the framework for temporary land and asset acquisition. The Act empowers government organisations to acquire land on a temporary basis for storage facilities, work camps etc. during road construction. The temporary acquisition of land on which buildings are located is avoided as far as is possible. The Act also allows quarrying of materials from any adjoining land.

122. The Act does not allow leasing of land but the government is required to pay compensation for damage to buildings, crops and trees, where the farming activity of the landowner is interrupted, and where the landowner has to incur expenses to restore the land after its return. Compensation is determined between the government organisation (DoR) and the owner or through mediation, involving officials from the relevant VDC and District.

123. GoN may prohibit, through notification in the Nepal *Rajapatra* (Government Gazette), the construction of any permanent structure (other than walls) within 6 m of the road limit or edge.

124. **The Land Reform Act 2021 (1964)** and as amended in 1996, establishes the rights of tenants and providing ownership rights to the actual tiller of the soil. This Act sets a ceiling on the amount of land owned with differing amounts for the Kathmandu valley, hills and mountains (80 *ropani*) and the Terai (25 *bigha*). In addition, a family can own a house plot with kitchen garden of 16 *ropani* in the hills and mountains and 3 *bigha* in the Terai. The Act provides for the transfer of tenancy rights in the following order: spouse, son/ daughter in law, adopted son, then unmarried daughter.

125. Land under tenancy rights can be divided between the owner and tenant to make it single ownership. The Act also specifies that if the tenant and the owner do not agree and that one applied for their share, the Chief District Officer could divide the land into two equal parts and cancel the tenancy right over the land. This abolishes dual ownership of land in Nepal. The Act establishes that the tenant and owner will each be entitled to 50% of the compensation amount in the event of compulsory acquisition.

B. ADB Policy on Involuntary Resettlement

126. The basic guiding principle of the ADB Policy on Involuntary Resettlement is that the affected people should be “compensated and assisted so that their economic and social future will generally be at least as favourable with the project as without it”. ADB’s Policy also states that the absence of formal title should not be a bar to compensation. The key points of the ADB’s Policy on Involuntary Resettlement and the way in which the project proposes to achieve them are described in the following Table 6.1. The main method of achieving ADB Policy is through minimising land take. This is supported by the development of improved processes for the assessment and payment of a wider range of compensation entitlements to those unavoidably affected by the project.

Table 6.1 Achievement of ADB Policy on Involuntary Resettlement

ADB Policy on Involuntary Resettlement	Measures to Achieve ADB Policy under the Project
Involuntary resettlement should be avoided where at all feasible	<ul style="list-style-type: none"> • The project design seeks to avoid land take and involuntary resettlement by restricting acquisition to the land needed rather than the full RoW and adjusting design to avoid loss of structures.
Where population displacement is unavoidable, it should be minimised by exploring all viable options.	<ul style="list-style-type: none"> • Road section detailed design takes into account the position of buildings, trees and perennial crops as well as access paths and drainage/irrigation channels. • The project seeks to minimise land-take and to reduce impact by negotiation with landowners. • The project seeks to enable relocation within the plot wherever possible.
People unavoidably displaced should be compensated and assisted, so that their economic and social future would be generally as favourable as it would have been in the absence of the project.	<ul style="list-style-type: none"> • The entitlement matrix presents compensation options to cover fully all AP losses and prescribes various assistances to help APs relocate and restore income. • The RP ensures that all APs receive compensation at replacement cost. • Income restoration and rehabilitation assistance is provided to help rebuild livelihoods. • Access paths and drainage/irrigation structures will be reinstated to previous standards as a minimum.
People affected should be informed fully and consulted on resettlement and compensation options.	<ul style="list-style-type: none"> • Meetings have been held with VDC members and ward representatives in each ward affected by land acquisition. • Leaflets and posters describing the project and the entitlement to compensation have been distributed to all affected families during the household listing census. • Social interviewing team have discussed the information leaflet contents with each affected household • Meetings to discuss alignment amendments have been held in all affected wards and the RP has been disclosed at public meetings of APs who signed the minutes attesting disclosure.
Existing social and cultural institutions of re-settlers and their hosts should be supported and used to the greatest extent possible, and re-settlers should be integrated economically and socially into host communities	<ul style="list-style-type: none"> • Resettlement is most within the same plot and therefore there is no need for a specific integration programme. • The impact of resettlement/ relocation on households will be monitored. • No project resettlement site is needed.
The absence of formal legal title to land by some affected groups should not be a bar to compensation; particular	<ul style="list-style-type: none"> • The Entitlement Matrix provides all APs with their compensation entitlement. • The resettlement consultants assisted vulnerable groups in

ADB Policy on Involuntary Resettlement	Measures to Achieve ADB Policy under the Project
attention should be paid vulnerable groups and appropriate assistance provided to help them improve their status.	land acquisition and compensation process by participating in the assessment of losses from the project's outset. <ul style="list-style-type: none"> • Vulnerable groups have been provided with additional assistance by the project.
As far as possible, involuntary resettlement should be conceived and executed as part of the project.	<ul style="list-style-type: none"> • The project design requires that involuntary resettlement and associated compensation for loss are investigated, planned, and executed as an integral part of the implementation process. The project conducted the census/asset survey as part of the detailed design. The survey team comprised: <ul style="list-style-type: none"> • Project engineer • District Land Survey Officer • Technician(s) • Social survey team for household asset/loss inventory • Local Resettlement Consultant
The full costs of resettlement and compensation should be included in the presentation of project costs and benefits.	<ul style="list-style-type: none"> • Full costs were estimated during the detailed design stage.

C. Resettlement Policy for the Project

127. The following principles and policies and accompanying Entitlement Matrix will apply for land acquisition and resettlement to RNDP. The basic principles of the Project are:

- (i) Land acquisition and involuntary resettlement should be avoided where feasible or minimised as far as possible through the incorporation of social considerations into project design options.
- (ii) Where population displacement is unavoidable, individuals, households and communities losing assets, livelihoods and other resources should be fully compensated and assisted so that they can improve or at the minimum restore their former economic and social conditions
- (iii) Lack of land title does not exclude the household from compensation.

128. For the implementation of the above principles during execution of the project, the following policies were instituted.

- a) Compensation for all lost assets (land, house, structure, trees etc.) were provided at replacement cost at market value without depreciation.
- b) Compensation Determination Committees (CDCs) included, in addition to Land Revenue Officer, representative from DDC, and a representative from the Project, a representative of APs as well as representatives of the concerned VDCs as invited members to maintain transparency and to ensure full participation of APs regarding issues of compensation, relocation, resettlement etc.
- c) The time gap between notification of acquisition and payment of compensation was kept to a minimum to avoid inconvenience and difficulties caused by land price inflation.

- d) The cut-off-date for compensation and assistance under the RP was the date of the household census and affected household asset survey.
- e) Special attention was given to the interests of economically and socially vulnerable groups; such as women headed households, the poor, old, disabled, ethnic minorities, and the landless.
- f) The Land Acquisition Act made provision for cash compensation. The vulnerable households were identified and provided social mobilisation assistance to ensure that the compensation was used appropriately.
- g) The project took possession of land and assets only after full compensation had been paid to the affected persons and relocation of houses and households had been completed. In cases where authentic documents for affected parcels were lacking or the land owner could not be present to receive the compensation within the given time, civil works could proceed. The compensation in such cases would be paid as soon as authentic documents were presented or the title-holder was present.
- h) The Project gave due attention to livelihood restoration, improvement of production levels and earning capacity of PAFs. Severely Project Affected Families (SPAFs), that is those households who are displaced from their residences or commercial establishments or who lose more than 10% productive assets, were assisted with rehabilitation measures to achieve these goals. Displaced SPAFs were also provided with displacement allowances as detailed in the "Entitlement Matrix".
- i) Trees were compensated for as per the provisions of the Land Acquisition Act. Attempts were made to protect trees standing on land to be acquired, by paying separate compensation.
- j) Resettled families were given priority for restoration of their public facilities as utilised prior to the Project, i.e., electricity, water supply, irrigation ditches sewerage and public transport, as an integral part of restoring their living standards.
- k) Landless SPAFs were allocated land-for-land from Government land (ailani) where such land exists. They were assisted to restore their income levels and productivity according to the Entitlement Matrix.
- l) One person from each SPAF and vulnerable group was given priority for employment in project related construction works based on their capability and qualifications. Bidding documents and contract specifications include requirements for employing SPAFs and vulnerable groups with priority.
- m) The Project did not bar PAFs from making use of their private property prior to the full payment of compensation entitlements, other than the prohibition of land sales after the publication of the first Notice by the CDO.
- n) The RP included estimates of all expenditures related to land acquisition, compensation, resettlement and rehabilitation. It also clearly specifies the responsibilities of concerned organisations.
- o) In order to replace the loss of land, if any affected household purchased replacement land in another place within one year of the date of receiving compensation, the land registration fees and all Government taxes and duties would be borne by the Project.

- p) Construction works were, as far as possible, planned to allow for the harvesting of standing crops before land is acquired. Where crops could not be harvested or the destruction of crops is unavoidable, cash compensation was paid, based on market values.
- q) Local Consultative Forums (LCFs) were established in each affected VDC to ensure that PAFs could make informed decisions and receive assistance with the reinvestment of their compensation in other productive assets. This Plan specifies the formation process for LCFs in section XII.
- r) If, after the acquisition of land, the remaining portion was considered too small to be viable for cultivation or other use, the owner had the option to relinquish the remaining portion if they desired to do so. Such a limit was 8 Ana in the project areas. PAFs who chose to relinquish the whole land parcel or landholding were entitled to assistance with the identification and purchase replacement land or cash compensation at replacement cost for the entire parcel or landholding as noted in the "Entitlement Matrix". The PAFs would also be entitled to compensation and rehabilitation as SPAFs if they then meet the criteria as SPAFs defined in the entitlement matrix.
- s) The PAFs had access to effective procedures for lodging complaints and for their resolution as defined in the Grievance Redress Mechanism in section V. Complaint hearings and resolutions were as specified in this section.
- t) The contents of the updated Resettlement Plan have been disclosed in a manner and form understandable to APs at a number of Local Consultative Forum meetings held in each VDC from late 2005 through 2006. The signed minutes of these meetings are collected and stored in a separate volume available for inspection at the RNDP central Office, DoR, Kathmandu. The updated resettlement plan is placed at Project site office and posted on DOR website.

VII. Entitlement Matrix

129. This section sets out the entitlements and implementation strategies used for the Project. It describes:

- Units of entitlement;
- Entitlements for the loss of private structures;
- Entitlements for the loss of cultivation and other privately owned land;
- Entitlements for the loss of privately owned trees and crops;
- Displacement Allowances for severely-affected individuals and households;
- Rehabilitation and support measures for severely-affected individuals and households;
- Entitlements for loss of Government Property;
- Entitlements for community and group loss.

130. The Entitlement Matrix is shown in Table 7.1

131. **Units of Entitlement:** The property owners and occupants, their dependents and community groups who are affected due to acquisition of private and community assets. The entitlement framework accordingly specified compensation and/ or rehabilitation measures for two units of entitlement – individuals (i.e. affected individuals and their households) and groups.

132. **Individuals.** This category included individuals (men and women) who may suffer one or a combination of the following losses:

- All or part of residential land;
- Cultivation land (title-holders, registered and non-registered tenants);
- All or part of Guthi land;
- All or part of a residential building (titleholders, tenants and landless squatters);
- All or part of a commercial building (titleholders, tenants and landless squatters);
- All or part of other structures (titleholders, tenants and landless squatters);
- Income sources and income earning capacity.

133. This category also included the household members of the person suffering any of the above mentioned losses, i.e. PAFs. For compensation against the loss of all affected, privately owned assets and resources, the unit of entitlement was the title-holder/ household head, or heirs. For rehabilitation assistance, the unit of entitlement was the household. Where a loss is clearly identified to occur to a woman, the compensation will be paid directly to her. For example, in some cases, household subsistence and survival strategies may be disrupted through the loss of land or business enterprises. In these cases, rehabilitation measures will be provided to the household to support the re-establishment of their former living standards. In addition, some rehabilitation measures such as the provision of employment will be extended to adult family members. Individual family members could also be affected through loss of employment.

134. **Groups.** Compensation was paid to officially recognised and registered User Groups where losses occur to that Group. This was most likely to occur to Community Forest User Groups or to religious communities losing shrines, temples or other community assets such as *Chautaras* (resting place) etc.

135. Special attention was given through the social mobilisation programme to social categories and groups who, because of their social position, may have been vulnerable to the changes brought about by the project, or excluded from its associated benefits. These groups are entitled to nominate one household member for preferential employment as unskilled labour, access to the supporting life skills programme and especial assistance from the social mobiliser in the transition due to the project.

136. Entitlements for Loss of Agricultural, Forestry, Residential and Commercial Land

- a) Titleholders of agricultural, residential, commercial and private forest land were compensated for all permanent land losses at full replacement cost.
- b) Absentee landowners with tenants were entitled to 50% of the replacement cost of the land as per the latest amendments of the Land Reform Act.
- c) Registered tenant farmers were eligible for 50% of the compensation for the value of the landlord's land (i.e. tenant and landlord get 50% each of the land value).
- d) Non-registered tenant farmers were assisted to become registered tenants wherever possible. This required a formal agreement to be signed between the tenant and landowner. If the agreement is formalised, the tenant was entitled to 50% compensation for loss of land as a registered tenant.
- e) Non-registered tenants, who are not legalisable by the above procedure, were entitled to compensation for crops according to the agreement with the landowner. The Project assisted such tenants to negotiate with the landowners and they received 50% compensation based on the negotiation.

- f) Wherever possible, the spouse of the head of household was asked to be present during the payment of compensation and re-registration of land was attempted in the names of both husband and wife wherever possible.
- g) Titleholders who lose less than 10% (cultivated land holdings of 5 ropani/ 0.25 ha or less) or 25% (cultivated landholdings larger than 5 ropani) of their total landholdings, or whose production levels were not severely affected by the loss of the land, were offered cash compensation, payable at the time of acquisition.
- h) Titleholders who lost more than 10% (cultivated land holdings of 5 ropani/ 0.25 ha or less) or 25% (cultivated landholdings larger than 5 ropani) of their total landholdings, or whose production levels were severely affected by the loss of the land, were deemed to be Seriously Project Affected Families (SPAFs). These households were offered the choice of assistance with the identification and purchasing of replacement land, or cash compensation.
- i) Social mobilisation programmes were established in each affected VDC to assist SPAFs with the reinvestment of their compensation in other productive assets, specifically with the identification and purchasing of suitable privately owned land in the vicinity.
- j) Additional SPAF households could be identified by the CDC during its deliberations.
- k) PAFs losing more than 75% of a land parcel had the option to relinquish the whole parcel or total landholding and will be offered the choice of assistance with the identification and purchasing of replacement land, or cash compensation.
- l) Replacement land for all types – agricultural, commercial and residential, bought within one year of the payment of the compensation can have the registration fees paid by the project.
- m) Temporary occupation of privately owned land was undertaken within the framework of the Public Road Act. A temporary occupation contract would have been drawn up and signed between the contractors and affected landowners specifying:
 - The period of occupancy;
 - The formula for calculating the production losses, i.e. the market value of crops normally produced on the land, and annual inflation adjustments;
 - Compensation for crop losses for the duration of temporary occupation;
 - The frequency of compensation payment;
 - Land protection and rehabilitation measures; and that
 - Acquired land will be returned to the owner in the original or improved condition.
- n) Compensation and restoration of land already acquired temporarily for the Basantapur-Mudhe-Khandbari road section will be paid for retrospectively.
- o) If communal grazing land is affected, the Departments of Forestry and Agriculture are required to help the affected communities identify alternative grazing and to improve the grazing land to ensure pre-project levels are maintained. Loss of significant amounts of grazing land is not found on RNDP.
- p) Loss of Guthi (temple) trust land was to be compensated according to the Guthi Corporation Act 2033. Severely affected land would be compensated by replacement land if available or by cash compensation. Marginal losses will receive cash compensation. Registered and non-registered tenants of Guthi owned land were entitled to compensation as other tenants.

137. Entitlements for Loss of Non-Perennial and Perennial Crops and Trees

- a) Construction works were, as far as possible, planned to allow for the harvesting of non-perennial and perennial crops before land was acquired. Where crops could not be harvested or where the destruction of crops was unavoidable, cash compensation was paid, based on crop market values as decided by the CDC but using the Department of Agriculture norms for estimation and measurement of crops and fruit trees. Tree losses were measured using Department of Forestry norms for the District and values agreed

by the CDC meeting to reflect market value. All vegetation felled or cut down remained the property of the owner for his disposal.

- b) For land held under registered tenancy, the compensation for standing crops and permanent crops like bamboo, trees etc. was divided equally between the landowner and the tenant. For non-registered tenants, the amount for standing crops was divided between tenant and landowner but compensation for bamboo, timber and fruit trees was given to the landowner only.
- c) Where Community Forest User Group trees or other communally owned trees were acquired, full compensation was paid. This requirement needed sanction at Government of Nepal Cabinet level and this process took time.

138. Entitlements for Loss of Houses and Other Structures

- a) Owners of houses, shops and other structure - walls, toilets, sheds, cattle sheds etc. were compensated in cash for full or partial losses, at full replacement cost as determined by the CDC. This included titleholders, tenants, and squatters at the time of the eligibility cut-off-date for each road. If there were structures that could be re-erected at the new site, the cost of re-erection would be paid. If a building needed partial demolition, the repairs to the remaining portion were also to be paid in addition to compensation for the affected materials at replacement cost.
- b) Compensations amounts were distributed from District Administration Office and/or the Project Office in respective district or site. The payments could be in cash if requested or if the sum is below Rs 10,000.
- c) Owners had the right to salvage materials from the affected buildings and the value of the salvaged materials was not deducted from the compensation amount.
- d) Relocation of the house and/ or business was deemed a severe impact.
- e) Owners of houses or other structures received the Household Movement Allowance to cover costs of the move and disruption and a Buildings Materials Transportation Allowance if they had to move salvaged building materials. Displaced tenants received a rental stipend to cover costs of changing tenancy agreements; they also received the Household Movement Allowance.
- f) Displaced households and owners of businesses who owned residential land were assisted to find suitable replacement land or paid cash compensation at replacement cost for the lost plot.
- g) Tenants who have built their own houses on rented land were assisted with the finding of alternative sites in their local communities, and received cash compensation for the structure and allowances to make the move.
- h) Displaced landless squatters who have been occupying the site of their house prior to the eligibility cut-off-date were entitled to allocation of a plot from Government land where at all possible. 1 such household was found and land was allocated through negotiation with the local communities.
- i) Relocation to new sites was not required under RNDP, but should it have become necessary, resettlement assistance would be provided to ensure effective integration with host communities and adequate provision of facilities.

139. **Community Facilities and Resources**

- a) Affected community buildings and facilities would be repaired to their previous condition or replaced in areas identified in consultation with affected communities and their relevant authorities. These included schools, temples, health posts, water points, irrigation canals and footbridges, graves and *ghats*.
- b) If irrigation channels have been damaged and disrupted by construction or rehabilitation, they were reinstated as soon as possible.
- c) Access to community resources was restored.
- d) Where communal grazing grounds were acquired, the line office of the Ministry of Agriculture would advise and assist in finding alternative sites.
- e) Where community owned trees were acquired, The Department of Forestry assisted the payment of full market value and in finding alternative sites where possible. User Groups were allowed to harvest resources from the affected areas as well as receive cash compensation.
- f) Community forest land already cleared on the Basantapur-Mudhe-Khandbari alignment will be compensated for retroactively.
- g) Further deforestation to clear alignments will be mitigated by bio-engineering works.

140. **Group Losses**

- a) Vulnerable social groups and others losing employment and income as the result of the project will receive priority employment with the contractors as unskilled labour and for life-skills and savings and credit schemes through the NGOs

141. **Damage Caused During Construction**

- a) Contractors took care to avoid damaging public and private property.
- b) Where damage occurred as the result of construction works or activities, the contractors were required to pay compensation immediately to affected families, groups, communities or the Government for damages to crops and trees. Damaged land, infrastructure and structures will be restored to their previous conditions.
- c) The same entitlement policies shall apply as for other land acquisition impacts.

142. **Displacement Allowances.** In addition to compensation for asset losses, displaced SPAFs will qualify for the following allowances:

- a) Households who were required to relocate received a Household Displacement Allowance equivalent to two months per capita poverty income level (PLI) for a household of 5.5 persons, as established by the National Living Standards Surveys, 2004 and as agreed by the CDCs. This allowance was paid to the Household Head. Titleholders, Tenants of residential accommodation and Non-titleholders were all entitled to this allowance if required to relocate. This allowance was paid with the compensation payment for the structures and the CDCs instituted a flat rate allowance of Rs 8,000.

- b) Owners of businesses and tenants running businesses in rented accommodation who were required to relocate, received a Business Displacement Allowance calculated as for the Household Displacement Allowance and agreed by the CDC and paid with the compensation for loss of structures. CDC decided a flat rate for this allowance of Rs 8,000.
- c) Displaced households in rented accommodation receive a Rental Stipend of Rs 2,000 equivalent to one month's per capita poverty level income as established by the Nepal Living Standards Survey for a household of 5.5 members.
- d) Displaced Households received a Transportation Allowance or transportation assistance from the Project to move their belongings and salvageable materials. CDC decided a rate of Rs 2,000 for this allowance.

143. **Other Rehabilitation Measures for Severely Project Affected Families.** In addition to the provision of allowances, rehabilitation of SPAFs were supported through the following measures:

- a) Counselling was provided by the social mobilisers to SPAF households regarding project impacts, compensation alternatives and risks and resettlement options.
- b) Counselling on saving schemes and cash management was available.
- c) Assessment of current economic activities and potential for improvement to these activities, as well as alternative income earning opportunities.
- d) For the Hile-Basantapur-Khandbari road SPAFs, rehabilitation assistance have been provided under DFID-RAP. For other Project Road SPAFs, assistance was provided under the poverty intervention component and piggy back TAs. Assistance strategy included:
 - a. SPAF households to nominate one member of the household to be put forward for preferential unskilled employment with the contractors. These households would also be encouraged to join a savings and credit group and receive life skills training.
 - b. Capacity-building interventions (training in communication/leadership/ advocacy and negotiation skills so that APs can exercise their rights; training in savings, and income generating activities; revolving funds; and link with market access).
- e) SPAFs and vulnerable groups have been given preferential access to road construction employment opportunities.
- f) General information dissemination and counselling have provided to all persons within the project areas to inform them of the project scope, impacts and entitlements, construction schedules, acquisition dates, valuation, compensation and grievance resolution mechanisms, construction employment procedures, and local development initiatives.
- g) Assistance was given to PAFs to gain access to national poverty alleviation and credit programmes.
- h) These measures were extended to other vulnerable groups in the vicinity of the road corridors who may have been indirectly affected by the project, even though they do not lose assets to the Project. These people were identified during the impact assessment surveys and include porters and agricultural day wage labourers, ethnic groups and landless households.
- i) Through the establishment of the Local Consultative Forums, PAFs and local communities were able to discuss the position of SPAF and vulnerable households within the communities with the Project, monitor the rate of re-establishment and recommend additional corrective measures where necessary.

144. **Assistance to Vulnerable Households Previously Compensated Under Arun III Project**

- a) The Project identified vulnerable households, who were compensated under the Arun III Project and who had not yet moved out of the Col and who had no or limited resources for purchasing alternative land. These households were entitled to the Displacement and Materials Transportation Allowances in order to make the move and they were entitled to rehabilitation and income restoration assistance along with the other vulnerable group households.

Table 7.1: Eligibility Matrix of Entitlement to Compensation

Type of Loss	Definition of Entitled Persons	Description of Entitlement
Houses, shops and Other Structures		
Loss of structures a) Residential house (24 numbers) b) House-cum-shop (11 numbers) c) Shop/Kiosk (19 numbers) d) Other structures (19 numbers): <ul style="list-style-type: none"> • Part of house • Cattle shed • Yard • Toilet • Kitchen • Well 	Legal owner of structure (27 HH) Squatter/ encroacher/ public land (41 HH)	<ul style="list-style-type: none"> • Compensation for full or partial loss of structure at replacement cost as established by the CDC and according to house/ structure type with no deduction for depreciation • Owners have the right to take salvageable materials • Every displaced household is a SPAF and will receive the Housing Displacement Allowance. • Every displaced household with business affected will receive the Business Displacement Allowance • Every SPAF will receive Transportation Allowance. • Every SPAF will receive rehabilitation assistance • Non-titleholders will also receive the above assistance if they have been resident before the census cut-off-date • Landless non-titleholders will be entitled to resettlement and rehabilitation assistance. • Compensation for partial losses will be paid before acquisition. • All transfer costs and taxes will be the responsibility of the Project • Every tenant SPAF will receive a rental stipend
Land		
Loss of private agricultural and forestry land (12.6 ha)	Landowners or legal/legalizable tenants at cut off date as set by DoR during the asset survey (716 HH)	<ul style="list-style-type: none"> • For SPAFs, provide equivalent value/quality of land nearby or pay compensation at replacement cost • For PAFs, compensation at full replacement cost • PAFs have the right to relinquish the remainder of a parcel of land that they feel is too small to be economically viable (8 ana or less). • PAFs choosing to relinquish the remaining parcel of land will be assisted to identify and purchase replacement land or cash compensation at replacement cost • Registered tenants and title owners will each be entitled to 50% of the compensation payable for affected land and crops • Pay market rental price for temporary loss of land • Land Registration fees for replacement land will be paid by the project.
Loss of agricultural and forestry land under tenancy	Non-registered tenant or sharecropper, non-legalisable as a registered tenant (80 HH)	a) Non-registered tenants do not qualify for compensation for land losses b) Non-registered tenants are entitled to compensation for crops as established by the CDC according to the lease agreement, i.e. 50:50. <ul style="list-style-type: none"> i) Compensation for one years fruit and fodder trees production ii) Compensation for one years annual production for timber, firewood trees and other perennial crops. iii) If the owner cannot be identified, crop compensation is given 100% to the tenant. c) SPAF will receive rehabilitation assistance

Type of Loss	Definition of Entitled Persons	Description of Entitlement
Temporary loss of private land (No temporary loss of land recorded so far)	<p>Owners of land as per land record at cut off date as set by DoR during the asset survey</p> <p>Registered tenant</p> <p>Non-registered tenant who is legalisable by means of a written agreement with the landlord</p>	<p>a) Compensation for land losses for the duration of the temporary occupation plus one more year necessary for the soil to be prepared adequately to original productivity</p> <p>b) Compensation for disturbances and damages to property.</p> <p>c) Land will be returned to its original owner at the end of the temporary acquisition, restored to its original condition.</p> <p>d) PAFs and contractors/project will sign a temporary occupation contract specifying:</p> <ul style="list-style-type: none"> • Period of occupancy • Formula for calculation of production losses • Frequency of compensation payment • Compensation for other disturbances and damages to property • Land protection and rehabilitation measures • Acquired land will be returned to the owner in original or better condition
Trees/crops		
Loss of trees/crops (12,790 private trees)	<p>Landowners (105 HH)</p> <p>Encroachers (trees on ROW) (591 HH)</p>	<p>a) Advance notice to harvest crops</p> <p>b) Cash compensation for crops that cannot be harvested based on crop market value as established by the CDC</p> <p>c) Cash compensation for the loss of production from individually-owned fruit, fodder and timber/ firewood as calculated by the CDC based GoN norms on</p> <ul style="list-style-type: none"> • 1 years production for fruit and fodder trees, • 1 years production for timber, fuel wood and other perennial crops • Rights to the timber from felled trees • If the land is under tenancy, the owner and tenant will be entitled to 50% each of the production compensation amount. • If the land is under an informal tenancy arrangement the production compensation will be divided according to the arrangement
Allowances		
Displacement of house (24 houses)	Legal owner (19 HH—one owner had 4 house/shops)	<p>a) Every SPAF Household will be entitled to the Housing Displacement Allowance</p> <p>b) Every SPAF tenant household will be entitled to a rental stipend</p> <p>c) Allowances will be paid at the time of serving notice to vacate</p> <p>d) CDC decided that allowances should be a flat rate of Rs. 8,000</p>
Displacement of business (19 shops and 11 shop + house)	squatter/ encroacher (32 HH)	<p>a) Every SPAF with a displaced business is entitled to the Business Displacement Allowance paid with the compensation payment</p> <p>b) CDC decided that allowances should be a flat rate of Rs. 8,000</p>
Severe disruption to cultivation (Not reported so far)	Titleholder, Tenant Lessee/ cultivator	<p>a) The following categories of affected households will be entitled to cultivation disruption allowances:</p> <ul style="list-style-type: none"> • Households with total landholdings of 0.25ha and smaller who lose more than 10% of their landholdings • Households with total landholdings above 0.25ha who lose more than 25% of their land holdings • Households identified by the LCFs as being severely affected • The cultivation disruption allowance is equivalent to one season's production from the cultivation of the land lost • Payment will be made at the time of acquisition.

Type of Loss	Definition of Entitled Persons	Description of Entitlement
Transportation Allowance (73 structures)	Legal owner (27 HH) squatter/ encroacher (41 HH)	a) Every displaced household will be entitled to a transportation allowance or transportation Assistance by the project to move salvageable materials and belongings. b) CDC decided that allowances should be a flat rate of Rs. 8,000
Rehabilitation Measures/ Social Development Assistance		
Severe loss of assets	SPAFs (68 HH losing house/shop/structures, and 55 HH losing ≥10% of land)	a) Counselling regarding project impacts, compensation alternatives and risks and resettlement options where required. b) Counselling on saving schemes and cash management c) For Hile-Basantapur-Khandbari, social development assistance initially was under DfID-RAP d) For the other roads, social development assistance under ADB/TA e) SPAF agricultural households will be entitled to agricultural extension services to increase production on their remaining agricultural and forestry land: Departments of Agriculture and Forestry will be asked to assist with all costs being borne by the project. f) Social development Assistance under the Poverty Intervention Components. g) Preferential employment for one household member on the construction
Impact on livelihood	Vulnerable Groups • BPL=47 • Dalit=17 • Marginalized ethnic group= 9 • Poor women headed household= 9 • Total=82 HH	a) Vulnerable HH will receive additional attention from the social mobilisation programme. b) Assistance with re-establishment and improvement of livelihoods c) Training in life skills d) Preferential employment on road construction and maintenance to the extent possible e) Inclusion in DfID-RAP and PIC programmes f) Assistance to gain access to national poverty alleviation and credit programmes
Additional Assistance for Vulnerable Households Affected by the Arun III project		
Those households with no or limited resources for transferring and/ or rebuilding houses and livelihoods	SPAFs under Arun III ROW (5 HH)	a) The Project will assist identified vulnerable households, who were previously compensated under Arun III Project or moved to Aun III ROW afterwards who have no or very limited resources to transfer or rebuild their houses by giving displacement allowances and social assistance under DfID-RAP. b) Other poor, socially excluded, ethnic minority and women headed households will receive extra assistance through the social mobilisation programme to facilitate transfer and/ or rebuilding houses. Such households have preference for employment as unskilled labour and to the life-skills programmes
Assets within the RoW for RNDP for which compensation was not paid earlier	Titleholders/ land users that were using the land when the RoW was acquired (184 HH)	Compensation for losses at the rate declared at the time the RoW was acquired.
Government/Community Property		
Loss of forest area (5318 trees under 18 FUGs)	Forest Users Groups (18 FUGs)	Compensation to FUGS through Department of Forestry Mitigation by means of forestation
Community structures and facilities: • 2 religious shrines • 1 tapstand • 3 community place/post • 2 walls/part of structure	Local community or groups (8 entities/groups)	a) Restoration to previous condition or replacement in suitable areas in consultation with affected communities and relevant authorities. b) Access to community resources will be restored. c) Compensation and restoration measures will be made retroactively
Other natural resources	Local community	a) Advance notice to harvest resources from affected community

Type of Loss	Definition of Entitled Persons or user group	Description of Entitlement
(not reported so far)		forest areas b) Assistance with improvement of forest areas; c) The Department of Forestry will consult with communities regarding future production losses from communal forests and restoration requirements
Damage caused during construction		
Any damage to assets (No such damage reported so far)	PAFs, affected communities	a) Contractors will take extreme care to avoid damaging public and private property. b) Where damage does occur as the result of construction works or activities, the contractors will be required to pay compensation immediately to affected families, groups, communities or the Government for damages to crops and trees. Damaged land, infrastructure and structures shall be restored to their previous conditions. c) For public and private land, structures, infrastructure, crops and trees that may have been damaged already by construction along the Basantapur-Khandbari road, compensation will be paid for all losses retroactively. d) The same entitlement policies shall apply as for other land acquisition impacts.
General Counselling		
All project impacts	Persons within and near to the Project Road corridors	a) General counselling on project impacts; construction schedules and acquisition dates; valuation; compensation and grievance resolution mechanisms; construction employment procedures; and local development initiatives. b) This will be achieved through the periodic distribution of information sheets and a structured consultative and participative process with LCFs and local officials. c) Cooperation with GoN Ministries and Departments such as Local Development, Agriculture and Forestry to support effective resources utilisation and community development
Losses due to time spent proving land ownership and negotiating compensation (Compensation is distributed locally so far)	Affected family household heads	Cash compensation equivalent to cost of transport plus daily agricultural wage equivalent for the number of days spent on project related admin.

VIII Relocation of Housing and Businesses

A Requirements and Options for Relocation of Housing and Businesses

145. The overwhelming majority of potentially affected families wanted to relocate within the same plot. In general, house-owners wished to relocate their houses near to roads with adequate access. This required provision of slabs to cross the drains and sometimes some small works to provide or replace steps. The choice of relocation site i.e. as close to the new road as permissible reflected awareness of the significance of the DoR Right of Way and of the likelihood of road widening in the future and therefore house owners left sufficient room for this and for ensuring a safe space for pedestrians along the road.

146. 68 households lost a total of 73 structures—24 houses, 11 house-cum-shops, 19 shops/kiosks and 19 other structures (5 parts of house/baranda, 9 cattle sheds, 1 yard, 1 toilet, 1 kitchen and 2 wells). Among 68 households, in MK section one businessman lost 2 houses, 2 shops, and 1 cattle shed and another household lost 1 house and 1 cattle shed. Among remaining, each household lost only one structure—i.e. either house, house-cum-shop, shop or other structure. The scale of displacement of private structures estimated in 2001 and updated in 2007 and their relocation status is summarized in Table 8.1:

Table 8.1: Displacement of Structures and Relocation Status

Road Section	2001 Original RP					2007 Updated RP					Relocation Status of Displaced HH (losing house or shop)		
	House	House-cum-shop	Shop	Other	Total HH	House	House-cum-shop	Shop	Other	Total HH	On Private Land	On RoW/ Public Land	Total HH
Dolalghat-Chautara	0	5	0	0	5	2	0	5	3 ^a	10	2	5	7
Pouwa Bhanjang-Phidim	0	0	0	0	0	0	0	2	1 ^b	3	1	1	2
Damak-Gauriganj	0	0	0	0	0	1	1	1	0	3	2	1	3
Biratnagar-Bardanga-Ularbari-Bardanga	0	0	0	0	0	12	3	7	11 ^c	33	19	3	22
Hile-Basantapur-Mudhe	2	0	0	0	2	1	0	2	0	3	2	1	3
Mudhe-Khandbari	3	24	3	0	30	8	7	2	4 ^d	16	10	4	14
Total	5	29	3	0	37	24	11	19	19	68	36	15	51

Notes: ^aOne toilet, 1 cattle shed and 1 wall; ^bOne cattle shed;
^cFour part of house/baranda; 3 cattle sheds, 1 yard, 1 kitchen, 2 well/tube-well.
^dFour cattle sheds

147. Works for the roads were designed to minimise displacement. Among the households who lost structures, only 51 HH were physically displaced by losing house or shop, including (i) 22 HH losing residential house; (ii) 11 HH losing house-cum-shop; (iii) 17 HH losing shop/kiosk; and (iv) 1 HH losing separate house and shops. Most households sought to minimise their own stress and hardships by moving back on remaining land where possible. All displaced households relocated nearby.⁵ In terms of relocation of 51 households losing house/shops, 36 HH have moved to the private land and 15 HH have moved within ROW or public land (1 has moved to public land outside ROW). Specific description by road section is presented in following paragraphs.

148. **Dolalghat-Chautara:** One affected house has relocated on the same plot after payment of compensation and allowances; other 1 has relocated nearby within 50m of ROW. Of 5 shops, 2 have moved to their private land/house and 3 have moved within 150m within the bazaar. In terms of land ownership of relocation sites, 2 HH are in private land and 5 HH are within ROW.

149. **Pouwa-Bhanjang – Phidim:** No houses were displaced, but two small stalls/kiosks made of temporary materials had to be cleared and they have moved back within 10 m –i.e. 1 is in private land and 1 within ROW.

150. **Damak-Gauriganj:** One house, one house-cum-shop, and one shop/kiosk (all huts) affected have been relocated further back from the road side on the same plots (2 in private

⁵ One businessman in MK section (who lost multiple structures) has moved all but one structure and is currently building new house/structure for permanent relocation.

land and 1 within ROW). One religious relocated within 200m and given full compensation. A religious shrine/temple has been rebuilt by the community group.

151. **Biratnagar-Bardanga-Ularbari-Bardanga:** Of 12 houses, 7 houses have relocated further back on the same plot and another 5 houses have relocated within 500m after payment of compensation and allowances. Among 3 house-cum-shop and 7 shops, one shop has relocated to an adjacent site (10m) with its attached house; 9 small shops have moved back on the same plot also less than 10m. In term of ownership of relocation site, 19 have relocated to the private land and 3 HH within ROW.

152. **Hile-Basantapur-Mudhe:** Only one house was removed from nearby Basantapur market, who was a landless squatter who has been assisted by providing public land within 50m by the community and have rebuilt his house. Two shops affected received compensation and have relocated to private land within 150m in the bazaar after payment of compensation and allowances.

153. **Mudhe-Khandbari:** Owner of 1 house (compensated but not moved under Arun III) has now moved to private land within 50m; 1 house has relocated within ROW; 3 houses (built within Arun III alignment) have relocated within 30-500 m (1 to private land and 2 within ROW). Owners of 6 house-cum-shops have moved to nearby Chainpur Bazaar and 1 has moved back within 10 m. An owner of 2 houses and 2 shops is building new house-cum-shops on the same private plot within 30 m. In summary, among 14 households displaced by losing house/shops, 10 HH have moved to private land and 4 HH within ROW.

B Measures to assist with Transfer and Establishment of New Sites

154. Owners of displaced housing stated that they preferred cash compensation and to make their own arrangements for relocation and establishment at their chosen relocation sites. They were entitled to household displacement allowances, buildings materials transportation allowances, rehabilitation measures, transfer costs and taxes and assistance to restore public facilities where necessary. The objective of this measure was to improve living standards, production levels and income earning capacity at the new locations, or at least restore them to their pre-project levels. Vulnerable groups received special assistance with relocation from the social mobiliser if wanted.

155. No project resettlement site was required. No transition housing was needed. No civic infrastructure was required and there were no host populations. However, APs were provided various allowances and assistance, which are described in following paragraphs.

156. **Household Movement/ Displacement Allowance:** Owners of displaced houses were entitled to the Household Movement/ Displacement Allowance and to the Building Materials Transportation Allowance. If they have a displaced business, they were also entitled to an additional Business Movement/ Displacement Allowance and a Business Building Materials Allowance where appropriate. Tenants were entitled to the Household Movement Allowance and a Rental Stipend to cover the incidental costs of relocation.

157. **Rehabilitation Measures:** Displaced households were entitled to rehabilitation measures as defined in the entitlement matrix.

158. **Transfer Costs and Taxes:** The PAF was entitled to compensation to cover the costs of transport and lodging when travelling to and from the District Office/ Project Office to facilitate land transfer or collect compensation or to purchase alternative land. The householder is entitled to buy replacement land free of all Government taxes and charges for up to one year after acquisition of the original plot. For land under existing alignments, the

Project has ensured that the land title is transferred to DoR at no cost to the original holder and that the original land holder's land revenue tax is amended to reflect the loss of the land.

159. **Restoration of Access to Services and Public Facilities:** Displaced households were given priority for restoration of their access to services, utilities and infrastructure at the expense of the Project.

160. **Vulnerable Groups:** The Resettlement Consultants and social mobilisers identified those households at greatest risk of impoverishment and increased distress. These were mostly households of very poor families, some with female heads, and who are at risk of making poor decisions about the use of the compensation money and who need social mobiliser assistance. Social mobilisers have assisted these families to buy alternative plots and get new houses constructed out of their compensation money. Only a few households on each road section have needed this additional support and the outcome has been successful. Land titles and registered tenancies were registered in the names of husband and wife where possible.

IX Income Restoration Strategy

A Livelihoods at Risk

161. Income restoration is an important part of resettlement and relocation and AP's that have lost both house and income sources are most at risk of impoverishment, landlessness, joblessness, homelessness, marginalisation, morbidity, food insecurity, loss of access to common property assets and social disorganisation. The Project has been mindful of such risks and assisted APs to mitigate the risks through various compensation and rehabilitation assistance.

162. The Project affected the sources of income livelihood of the following groups: (i) farmers who lose significant part or all of their land; (ii) displaced businesses; and (iii) Tenants, wage labourers and other groups who may suffer income losses.

163. Some of them were identified to be vulnerable due to their social or economic background. The number of identified vulnerable households/groups is presented in Table 9.1

Table 9.1: Number of Vulnerable Groups (Households)

Description	DC	PP	DG	BBU B	HB	BM	MK	All roads
Below poverty line	4	2	8	9	2	1	21	47
<i>Dalit</i>	2	0	2	5	0	0	8	17
Marginalized ethnic group	0	0	2	3	0	0	4	9
Women Headed Households	2	1	1	1	1	0	3	9
Total	8	3	13	18	3	1	36	82

164. Strategies were identified to assist APs to restore or improve their income earning capacity and production levels.

B. Income Restoration Strategy

165. **Restoration of Income for Severely Affected Farmer Families.** It was expected that the only farmers to be severely affected would be along the Basantapur-Khandbari road as elsewhere, average loss of productive land was very small, well below 5%. The SPAF farmers who will lose more than 10% of their agricultural land, their house and/ or household income were entitled to additional assistance (displacement allowances, priority in employment and income generation program, etc.) besides cash compensation to restore their livelihood and income levels. In coordination with the Department of Agriculture, SPAF farmers who have land remaining will be assisted to improve productivity on their remaining land. They were entitled to priority inclusion in the road construction as unskilled labour and access to the related NGO assistance to access micro-credit funds. Funding for these activities was provided by DoR.

166. **Restoration of Income for Severely Affected Businesses.** 30 small businesses that were affected when shops or house-cum-shops were displaced to make way for construction. All shops were relocated by their owners nearby and received the Business Movement and Buildings Materials Transportation Allowances as appropriate. No business incomes were severely affected beyond the short term disruption of relocation.

167. **Priority Employment for SPAFs in Road Construction.** There was unskilled labour needed for digging, stone breaking, and laying the courses for the road foundations. The NGO social mobilisers were deployed to ensure that these jobs were made available to local people, with priority to SPAFs. The construction contracts mandated the employment of local people living within 1.5 hours walk of the road section and included a series of conditions for local labour requirements. Compliance with these conditions of contract is being monitored by the Project.

168. **Priority Employment for Wage Labourers.** Wage labourers such as porters and agricultural labourers were entitled to priority employment in the project construction works. The census and household socio-economic baseline survey of project roads identified 21 households (porters) dependent on portage on Mudhe-Khandbari road and 1 agriculture labourer on BBUB road. These households were identified to contractors by the NGOs (contracted to provide life-skills training and savings and credit in the project areas) and had priority for unskilled labour employment. These households also had priority in poverty intervention and income generation programs.

169. The status of employment of APs in road construction is provided in Table 9.2 below

Table 9.2: Number of APs employed in Project Construction (Dec 2007)

Employer	DC	PP	DG	BBU B	HB	BM	MK	All Roads
Contractors	8	3	3	5	3	6	68	96
Consultants				1	1		2	4
Total	8	3	3	6	4	6	70	100

C. Poverty Intervention Activities for Poor & Vulnerable Groups

170. Aside from the above measures, the poverty intervention programs financed or co-financed under Project also assisted APs with priority. Initially, the DfID-financed RAP included several poverty intervention components in Basantapur-Khandbari road. This consisted of improved access and enhanced poverty reduction measures for local communities (that also included APs), including:

- a) Access road improvement complemented by a programme of trails, footpaths, pedestrian bridges, slope protection, bus-station/ stops, and markets at community-selected locations. The community access road will provide the necessary links at community centres and the main network.
- b) The RAP followed labour-based construction methods. The RAP worked with local NGOs to mobilise Road Building Groups from surrounding communities to construct access roads, trails etc.
- c) The enhancing and protective interventions were implemented through local NGOs and the consultants alongside the physical access improvements. Interventions included rights awareness raising, training in communication, leadership, advocacy and negotiation so that rights can be exercised, and training in savings group formation, as well as providing information on income generating opportunities and promoting the establishment of revolving funds for RBGs, and linkages with market organisations to promote increased trade. Social mobilisers were also facilitated communities to identify improvements needed.
- d) The RAP's direct support to the poverty intervention program in this road section was continued until 2006 and has been succeeded by poverty intervention program financed under the loan.

171. The Project included a Poverty Intervention Component (PIC) with an aim to assist the local communities (including APs) to realize the benefits of the improved roads. It includes both physical and socio-economic interventions. The physical activities include improvements of small scale infrastructures to improve the local access and socio-economic activities include skills training, savings and credit, and income generation activities. NGOs have been mobilized to undertake PIC activities in Hile-Basantapur, Basantapur-Khandbari, and Dolalghat-Chautara road.

172. ADB provided a TA-4760: Enhancing Poverty Reduction Impact of Road Projects, which included a pilot project similar to RAP for other three roads (BBUP, DG and PP). Communities and APs along the corridors of selected roads have been encouraged to participate in this programme. SPAFs and Vulnerable Groups would have priority in PIC activities.

173. Essentially, all the above three programmes run skills training, savings and credit schemes and income generation activities for poor labourers, affected persons and local very poor households using local NGOs and social mobilisers. NGOs are providing life-skills training for group members to enhance and support their ability to take advantage of the opportunities offered by the savings and credit scheme. Besides skills training and income generation, NGOs also provide the seed money for revolving funds or micro-finance to the people. These activities help the poorest earn, save, and manage these savings that could be used to improve their living conditions.

174. Approximately 5 groups have been set up on each road section giving membership to 100 poor households. This will rise to approximately 10 groups and 200 households on Mudhe-Khandbari. This also caters for APs wanting employment as well as offering opportunities to other very poor households. Number of APs included under ADB TA and PIC is summarized in Table 9.3.⁶

⁶ The Table includes only APs numbers, while these programs also include non-APs poor households along the road corridors.

Table 9.3: Number of APs Covered under Poverty Intervention (Dec 2007)

Road Section	Vulnerable APs	Other APs	Total APs	Remarks
DC	8	77	85	2006-2007 completed (PIC)
PP	3	12	15	2006-2007 completed (ADB TA)
DG	2	2	4	2006-2007 completed (ADB TA)
BBUB	3	8	11	2006-2007 completed (ADB TA)
HB	3	5	8	2006-2007 completed (PIC)
BM	1	5	6	2007 on going (PIC target)
MK	36	114	150	2007 on going(PIC target)
All roads	56	223	279	

D. Assistance to Women and Vulnerable Groups--Summary

175. Various social inclusion aspects are included into the project procedures and operations to protect and promote interests of women and vulnerable groups. These are as summarized as following:

Area	Measures for Women & Vulnerable Groups (VG)
Data Collection	<ul style="list-style-type: none"> All socio-economic survey forms collected ethnic, poverty and gender disaggregated data, and looked at women's activities and the split of work within the household
Eligibility and Entitlement	<ul style="list-style-type: none"> VG and women-headed households (WHH) assisted where needed to gain necessary documentation where this was missing in order to qualify for entitlements. Families were encouraged to register the title in the names of husband and wife Committees/organisations included VG and women representatives. VG and women were enabled to replace access to resources/services
Income Restoration	<ul style="list-style-type: none"> Income restoration programmes addressed the needs of VGs and women. Road construction work open to women and VG, with priority. Gender and VG sensitisation provided to all contractors. Skills development training with priority for VG and women Increased women's and VG's access to financial capital:
House Reconstruction	<ul style="list-style-type: none"> WHH and VGs received assistance to rebuild housing – the social mobiliser assisted in identifying replacement land plot.
Civic Infrastructure	<ul style="list-style-type: none"> Reinstatement of access to infrastructure for VG and women
Relocation	<ul style="list-style-type: none"> Allowances were accessible to women and VG in households. People had adequate time to relocate their houses.
Participation and Consultation	<ul style="list-style-type: none"> Women and VGs were included in the participation and consultation programme. Women and VG only meetings were held where appropriate Women and VG were represented on all committees and bodies for the project Women and VG were enabled and encouraged to take up these opportunities.
Grievance Redress	<ul style="list-style-type: none"> The NGO assisted women and VG to bring their grievances for discussion and to the Project and CDO if no local solution was possible.
Information	<ul style="list-style-type: none"> All project officers as well as VG and women representatives have been informed about the gender and VG aspects of the Project.

X Cost Estimates

176. This section provides cost estimates for following items: (i) costs of acquisition of assets; and (ii) costs associated with rehabilitation and income restoration measures for SPAFs. The costs associated with management activities (institutional arrangements, training and capacity building, technical assistance to DoR) and costs of monitoring and evaluation are covered under the Project's supervision consultancy contract.

177. Official land prices are calculated and published annually at district level for each of the four agricultural land classes and for other types of land. These prices are used as the basis for the payment of land taxes. It is stated that official land rates often do not reflect actual market values, in each VDC because of under-valuation for land tax purposes.

178. For the project, land values were assessed using recent land transactions over the last year to determine the local market price and compared with the District official rates. The difference in values was discussed with the Compensation Determination Committees at each District until agreement was reached on fair compensation rates at replacement value.

179. The owners of the crops were given advance notice to refrain from planting crops and to have time to harvest standing crops. Almost all crops were harvested before acquisition and very little compensation was required under this item. Where this was not possible the DoR compensated the owners according to the norms set down for each District by the Department of Agriculture for crops and by the Department of Forestry for trees. The rates and valuations were agreed in the CDC meetings for each District.

180. The costs of trees to be removed were calculated using the Department of Forestry norms for measurement and valuation. These rates included the costs of transporting the cut down trees etc to the householder's residence and were agreed in the CDC meetings.

181. Costs of displacement allowances covers the support measures for affected individuals and households. The Entitlement Framework provides for three types of allowances (housing and business Relocation Allowances and a Buildings Materials Transportation Allowance), as well as rental stipends for displaced occupants of rented accommodation. This cost has been included under value of structures.

182. Income generation item covers support to severely affected persons through membership of the savings and credit schemes for SPAFs, the unskilled wage labourers on the project and other very poor families with training in life skills as part of the scheme. The work has been undertaken by suitably qualified local NGOs, with support from other government line agencies.

183. The Table 10.1 summarises the resettlement cost estimate and disbursement as of November 2007) by road sections.

**Table 10.1: Updated Cost Estimate and Disbursement Status
(As of November 2007)**

Item	Cost Estimate (Rs)	Disbursement (Rs)	Remarks
Dolalghat-Chautara			
• Value of Structures	607,316	607,316	Completed
• Value of private trees/crops	126,829	120463	Rs 6,365 involve absentee/legal cases

Item	Cost Estimate (Rs)	Disbursement (Rs)	Remarks
• Value of community forest	220,745	220,745	Completed
• Income restoration measures	1,000,000	100,000	One NGO was engaged with GON budget
Total	1954890	1,048,524	
Pouwa-Bhanjang - Phidim			
• Value of Structures	26,000	26,000	Completed
• Value of Trees/crops	112310	112310	Completed
• Income restoration measures	1,000,000	-	One NGO was engaged financed under ADB TA
Total	1138310	138310	
Damak-Gauriganj			
• Value of Land	872262	799421	Rs. 72,840 involve absentee /legal cases
• Value of Structures	137000	137000	Completed
• Value of Trees/crops	87251	87251	Completed
• Income restoration measures	1,000,000	-	One NGO was engaged financed under ADB TA
Total	2096513	1023672	
Biratnagar-Bardanga-Ularbari-Bardanga			
• Value of Land	1582625	1361750	Rs 220875 involve absentee/legal cases
• Value of Structures	1401225	1401225	Completed
• Value of Private Trees/crops	301860	301860	Completed
• Income restoration measures	1,000,000	-	Two NGOs were engaged financed under ADB TA
Total	4285710	3285710	
Hile-Basantapur-Mudhe			
• Value of Land	317632	317632	Completed
• Value of Structures	228,630	228630	Completed
• Value of Trees/crops	7291	7291	Completed
• Income restoration measures	1,000,000	100,000	One NGO engaged with GON budget
Total	1553553	653,553	
Mudhe-Khandbari			
• Value of New land acquired under RNDP	1015750	1002170	Rs, 13,580 involve absentee/legal cases
• Value of land acquired under Arun	4510995	3887824	Rs 623171 involve absentee/legal cases
• Value of land affected in 1995 by DOR road	4599658	2279761	Rs, 2319897 involve absentee/legal cases
• Value of Structures	989516	989516	Completed
• Value of Private	1566873	1460505	Rs 106368 involve

Item	Cost Estimate (Rs)	Disbursement (Rs)	Remarks
Trees/crops			absentee/legal cases
• Value of community forestry	415649	415649	
• Income restoration measures	3,000,000	200,000	Two NGOs engaged with GON budget
Total	16098441	10,235,425	
Total Cost for the Project	27127417	16385194	

XI Implementation Schedule

184. The majority of supervision milestones have been achieved and monitoring has commenced. In line with the original RP approved by ADB, contracts have been awarded and construction started after the compensation had been paid to all APs, except for cases where authentic documents for affected parcels were lacking (e.g. legal/court cases) or the land owner could not be present to receive the compensation within the given time (i.e. absentee landowners). The compensation amount for such cases was deposited to the district account, which would be disbursed once landowners were present or authentic documents were presented.

185. The implementation schedule including key milestones is summarized in Table 11.1.

**Table 11.1: Implementation Schedule and Milestones
(As of December 2007)**

No	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
1.	Information Dissemination and Consultation				
1.1	Distribute information leaflet to APs on entitlement matrix	1500	DoR	Feb 06	Completed
1.2	Consultation with CDO, APs & other stakeholders	Each road	DoR	Feb 06	Completed
1.3	Creation of LCFs	Each VDC	DoR	Feb 06	Completed
1.4	Consultation workshops	Each road	DoR	Feb 06	Completed
1.5	Consultation meetings	Each VDC	DoR	Regular	Ongoing
2.	Update Resettlement Plan				
2.1	Detailed measurement (census) and socio-economic survey (cut-off date for entitlement) in consultation/coordination with APs, local communities, and relevant government agencies	Each road	DOR	30 April 05 for upgrading roads; 30 Sept 06 for Basantapur-Khandbari	Completed
2.2	Update RP based on detailed design	One	DoR	April 06	Completed
2.3	Inform/consult APs about draft updated RP	Each road	DoR	April 06	Completed

No	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
2.4	Updated RP disclosed to project offices/villages/APs	1 per VDC	DoR	April 06	Completed
2.5	Approval of updated RP and budget	One	DoR	Sept 06	DOR has endorsed RP
2.6	Set up of CDC and approval of compensation rates as per entitlement matrix	each District	CDC	Sept 06	Completed
2.7	Updated RP placed on website	One	DoR	June 07	Posted on DOR website
3.	Implementation Capacity Building				
3.1	Formation of LCFs	1 per VDC	DoR	April 06	Completed
3.2	AP representation	Each LCF	DOR	April 06	Completed
3.3	Training of CDC	1 per District	DOR	April 05	Completed
3.4	Training of social mobilisers	2 per road section	DOR	April 05	Completed
3.5	Setting up grievance mechanism	1 per District	DOR	April 05	Completed
4	Land Acquisition and Resettlement				
4.1	Land Acquisition	12.6 ha (3.4 ha new + 5.5 ha on existing road + 3.7 ha Arun III)	DoR	Dec 06	Completed
4.2	House Relocation	51 HH losing house/ shops	DoR	Dec 06	Completed
5.	Compensation Distribution				
5.1	Social mobilisers assist APs to fill in application for land compensation	Each road	DOR	April 05	Completed
5.2	Compensation for house/structures	1 per affected ward	DOR	April 05	Completed
5.3	Compensation for land	Each road	DOR	April 06	Completed except for cases involving absentee and legal/court cases. The efforts ongoing to contact them.
6.	Rehabilitation and Income Restoration				
6.1	NGO social mobilisation programmes on each road section	800 households	DoR	Contracts let by April 06	Income generation activities ongoing
7.	Monitoring and Evaluation				
7.1	Baseline Survey	Sample	DOR	April 05	Completed

No	Resettlement Tasks	Target	Responsible Agency	Completion Deadline	Status and Additional Deadlines
7.2	Set up internal supervision	As per RP	DOR	April 04	Completed
7.3	Resettlement Verification Reports	1 per road section	DOR	Sept 06	Completed
7.4	Quarterly progress reports	Regular	DOR	Quarterly	Completed
7.5	Yr 1 Resettlement Monitoring survey and report	All road sections	DOR	June 07	Survey completed.
7.6	Analysis and reporting of baseline survey	Sample from all affected Districts	DOR	April 06	Analysis and reporting in progress.
8.	Documentation of Consultation	Minutes of meetings and signatures	DOR/Consultants	Sept 06	Continuous
9.	Documentation of Grievances	Project Office records	DoR	Regular activity	Continuous
10	Flow of funds / Budget				
10.1	Executing Agency funds available	Compensation amount transferred to CDO in District	DoR	Sept 06	Continuous
10.2	Project Office for compensation distribution	Compensation transferred to Project Office	DoR	Dec 06	Completed
10.3	Paid to Affected households	Compensation paid	DoR/CDO	Dec 06	Completed except for absentee and legal/court cases. Efforts ongoing to contact them.

XII Institutional Framework

A Central-level Arrangements

186. The Ministry of Physical Planning and Works is the Executing Agency and the Department of Roads (DOR) is the Implementing Agency. The latter is responsible for planning, management and implementation of the Resettlement Plan. The Consultants were appointed to assist DoR in undertaking following activities:

- Preparation, updating, implementation and monitoring of the Resettlement Plan;
- Information campaigns and stakeholder participation;
- Implementation of procedures to minimise adverse social impacts from land acquisition throughout the planning, design and implementation phases;
- Recording and reporting of all APs through census & socio-economic survey;
- Formation of Local Consultative Forums at VDC level;
- Stakeholders information, consultation and disclosure of the Resettlement Plan;
- Establish systems for coordination of resettlement/compensation activities;.
- Co-ordination with other government line agencies;
- Coordination with NGOs and CBOs in the Districts; and
- Other needed activities for effective implementation and monitoring of RP.

187. Procedures were developed for these activities. In particular, attention was paid to:

- Procedure for undertaking affected persons census and household asset verification exercises;
- Integration of construction with land acquisition and compensation activities;
- Establishment of AP databases for road sections;
- Procedures for tracking compliance to policies;
- Establishment of procedures for monitoring and review, based on project-level progress reports;
- Procedures for the prompt implementation of corrective actions and the resolution of grievances;
- Establishment of liaison mechanisms to ensure technical and logistical support to the concerned parties in the project Districts;
- Procedures for the prompt implementation of corrective actions and the resolution of grievances;
- Establishment of liaison mechanisms to ensure proper technical and logistical support to road section project managers and teams, CDCs, LCFs.

B Field-level Arrangements

1. Road Section Project Manager and Support team

188. A DoR Project Manager heads each road section team supported by the Consultants for each road section. A District NGO was hired to recruit and mobilize social mobilisers to run community support schemes for poor people and local labourers. Officers from the Department of Land Surveys and Land Revenue were deputed to the Project for land acquisition process. A local resettlement consultant supported by an international consultant was responsible for the management of specially trained resettlement survey teams on each road section. These teams consisted of a survey team for compiling the household census and asset surveys. The resettlement consultants managed the entitlement database for calculating entitlement and recording payments. DoR was responsible for the verification survey of assets to be acquired.

189. The activities of the local resettlement consultants on each road section was to assist DOR in carrying out following activities:

- To establish and maintain consultation mechanisms with the supervising engineer and contractors;
- To integrate land acquisition and compensation activities with detailed design and construction of each road section;
- To establish communication channels with affected communities to effectively address their issues through NGOs, the social mobilisers, the VDCs and the LCFs;
- To ensure that information continues to be shared with affected communities and households, strengthen communication channels between communities, DoR and contractors, and to assist DoR Project Manager in formation of Consultative Forums;
- Involve communities in decision making, grievance resolution, and monitoring.
- To collaborate with local NGOs and CBOs that can provide grassroots expertise and resources in information campaigns, credit and savings schemes/ income generation programmes, and for impact monitoring.
- To establish a proper database of APs for the road section;
- To liaise with CDC regarding the list of entitled persons, evacuation notices, compensation payments and grievance resolution;
- To liaise with the Land Revenue Office to ensure transfer of affected land to GoN;
- To ensure implementation of rehabilitation and support measures as detailed in the Entitlement Matrix.

190. The staff from the District Survey Office joined the survey team for Household Listing and Census to ensure plots were correctly identified and to ensure records were complete.

191. The resettlement team, consisting DOR staff and consultants, visited all road sections on a number of occasions to monitor all ongoing aspects of resettlement for all road sections. The team's responsibilities included monitoring of the RP, stakeholder participation, information dissemination, liaison with other government agencies and consultants as well as the DoR acquisition and compensation process.

2. Coordination and Interaction with Other Government Departments

192. The Project Manager and the Consultants developed a programme of interaction with other Government Departments to ensure effective land acquisition, compensation and implementation of mitigation measures. The five key Government Departments with whom programmes of complementary planning actions could be developed were:

- Ministry of Home Affairs (Office of the Chief District Office) to develop an overall implementation programme;
- Department of Land Revenue and Surveys to ensure staff availability for asset verification exercises and to confirm/ enhance land acquisition and transfer procedures;
- Department of Forestry to develop a programme for the timely clearance of trees from the area of works and the facilitation of payments for trees in Community Forest Group holdings.
- Department of Agriculture to access ongoing initiatives for agricultural support/ extension programmes;
- Department of Local Development to develop programmes for non-monetary support for SPAFs and to access ongoing initiatives in RNDP areas.
- The project also worked closely with the Nepal Electricity Authority to secure the list and status of compensation payments to PAFs on the Basantapur-Khandbari section under Arun III.

3. Compensation Determination Committees

193. The Land Acquisition Act 2034 provided for the establishment of Compensation Determination Committees to decide compensation levels at District level. These were composed of the CDO, the Chief of the Land Revenue Office, a representative of the DDC and the DoR Project Manager. It was important to ensure that affected communities were represented on these committees and that decisions are transparent and fair. The relevant VDC chairman/men or representative from the LCFs and a representative of PAFs joined the committee meetings as observers.

194. The CDC had to accept the principle of full and fair compensation at replacement cost for lost assets for the sub-project to proceed. The Project informed and trained CDC members in the valuation and the entitlement process.

4. Local Consultative Forums

195. Local Consultative Forums (LCFs) were established in each of the VDCs crossed by the Project Roads. LCF composition was flexible and based on the requirements in each VDC. The following membership included:

- The DoR Project Manager
- Delegated members of the concerned VDC.
- Representatives from the Affected Families;
- Representatives from other concerned line agencies as required;
- Representatives from local NGOs/ CBOs who may be able to assist with implementation.

196. Apart from creating a general forum for the information about the project and discussion of project activities, the LCFs was specifically responsible for:

- Assistance to PAFs with the reinvestment of compensation in other productive assets in the vicinity, through the identification of suitable privately-owned replacement land;
- Assistance with the recording and resolution of grievances. Details of the LCF proceedings, signed and documented minutes, progress and constraints are forwarded to the DoR Project Manager and to the central RNDP Consultants.
- Participate in monitoring and evaluation process, as required.

5. Social Mobilisers

197. The social mobilisers were the key personnel in achieving the successful implementation of the Resettlement Plan. The social mobilisers were appointed by the Project and trained to assist with the resettlement and compensation process. In general, two were appointed for each road section – one male and one female. They were responsible for:

- Assisting with the collection and dissemination of project information to PAFs;
- Clarification of details of the Resettlement Plan to individuals and in facilitation of the disclosure policy
- Assistance with the completion and collection of applications for land transfer;
- Assistance with the formation and conduct of LCFs and the Grievance Redress Committee;
- Assistance with CDC meetings and/ or coordination of PAF participation in CDC meetings;

- Assistance with fieldwork and meeting arrangements;

6. NGO Involvement

198. Initially two NGOs were mobilized under DFID-financed RAP in Basantapur-Mudhe-Khandbari road for mobilization of local people in road construction and economic development activities. After DFID phased out its parallel RAP program in 2006, the NGOs have been directly recruited by DoR in order to implement the poverty intervention activities. DoR also hired a NGO for Dolalghat-Chautara road for the similar activities. For Damak-Ggauriganj, Biratnagar-Bardanga-Urlabari-Bardanga, and Pauwa-Phidim roads, the poverty reduction activities have been implemented under ADB-financed TA using local NGOs affiliated with Rural Microfinance Development Centre.

199. The involvement of NGOs in each road section team was important. Those local NGOs already working in the project areas were able to support on aspects of resettlement and rehabilitation as well as run savings and credit schemes and life skills training envisaged as the Poverty Intervention Component for RNDP and additional income restoration measures. These NGOs implement the income restoration, social mobilisation, micro-finance, and life skill training targeted to the affected persons and other very poor local people. The NGOs also have a role in monitoring and evaluation.

200. The summary of roles, responsibilities and required resources to implement RP is laid out in Tables 12.1.

Table 12.1: Summary of Key Activities, Responsibilities and Resources

Key Activities and Tasks	Responsibilities	Resources
DEPLOYMENT OF SOCIAL MOBILISERS <ul style="list-style-type: none"> • Deployment of social mobilisers to each project road over project life and agree activities • Recruitment of social mobilisers and training • Introduction of social mobilisers to project and personnel/organisations working on the project. • Social mobilisers to visit CDO, DDCs and VDCs 	<ul style="list-style-type: none"> • Consultants • DoR/ Consultants • NGOs • DoR Project Office • DoR Project Office 	<ul style="list-style-type: none"> • Recruit one male and one female social mobiliser to each road section or per 40km new road construction • Housing and transport allowances for mobilisers to be allocated
VERIFICATION OF AFFECTED ASSETS <ul style="list-style-type: none"> • Census, and 20% socio-economic survey • Verify exact areas of private land losses • Verify remaining land holding and percentage loss • Verify type and size of affected buildings • Verify number and types of affected trees • Affected buildings are numbered, photographed • Identify APs 	<ul style="list-style-type: none"> • Project Consultants/ Local resettlement consultant • DoR Project officials devolved to consultants with assistance from District Land Revenue Office (DLRO) • Supervising Consultant 	<ul style="list-style-type: none"> • Final alignment maps; • List of affected persons and assets compiled • Drawings and photographs of affected buildings made • Support from social consultant and Supervising Engineering Consultant
FORMATION OF CDC <ul style="list-style-type: none"> • Establish Compensation Determination Committee, under chairmanship of the CDO • Ensure membership from relevant district offices (Land Revenue, DDC) and affected communities) • Undertake compensation determination and payment in terms of Entitlement Framework • Address grievances of affected persons • Keep proper records of all CDC decisions 	<ul style="list-style-type: none"> • CDO assisted by Project Engineer • Social Mobiliser 	<ul style="list-style-type: none"> • List of affected land and household owner from the DoR
PUBLICATION OF LIST OF ENTITLED PERSONS <ul style="list-style-type: none"> • Obtain list of APs from DoR • Confirm and finalise entitled persons • Publish list of APs (at public places and via VDCs) 	<ul style="list-style-type: none"> • Respective Chief District Officer (CDO) and CDC • Assisted by Project Engineer 	<ul style="list-style-type: none"> • census in planning phase • Re-verified list of affected persons compiled by DoR • Support from resettlement consultant and Engineer
INFORMATION AND AWARENESS CAMPAIGNS <ul style="list-style-type: none"> • Hold VDC and ward level community meetings to publicise the project 	<ul style="list-style-type: none"> • Social Consultant • DoR Project Engineer 	<ul style="list-style-type: none"> • List of APs by VDC • Nepali copies of Entitlement

Key Activities and Tasks	Responsibilities	Resources
<ul style="list-style-type: none"> Form Local Consultative Forums Hold Ward level meetings with different groups, identify vulnerable households and groups who are seriously affected by the project Record grievances and facilitate implementation (e.g. valuation of assets, evacuation schedules) Provide assistance to APs and CDC 	<ul style="list-style-type: none"> DDC Local Development Officer VDC Chairman and Ward Chiefs 	<ul style="list-style-type: none"> Framework Construction schedules VDC alignment maps/drawings Support from consultants
<p>NOTICE TO APs</p> <ul style="list-style-type: none"> Circulate notice to APs in respective VDCs, Ward Offices and the settlements 	<ul style="list-style-type: none"> Office of the Chief District Officer 	<ul style="list-style-type: none"> Final list of APs recommended by CDC Assistance from DDC, VDC
<p>COMPENSATION DETERMINATION AND PAYMENT</p> <ul style="list-style-type: none"> Obtain APs list and rates determined by the CDC Obtain sufficient funds for payment Make payment according to Entitlement matrix, and as approved by CDC 	<ul style="list-style-type: none"> CDO DoR 	<ul style="list-style-type: none"> List of people to be compensated District Treasury Office Support from consultant in compensation planning
<p>TRANSFER OF LAND TITLES TO GoN</p> <ul style="list-style-type: none"> Obtain cadastral maps for Kitta numbers and APs Assist in transfer of land title to the government Reconfirm APs with the total area of land losses Update land registration book Revise land registration certificates showing new land holding of affected person 	<ul style="list-style-type: none"> CDO Department of Land Revenue/ Survey DoR 	<ul style="list-style-type: none"> Additional manpower for prompt execution of transfers
<p>CLEARANCE OF TREES</p> <ul style="list-style-type: none"> Confirm actual number of trees to be cleared Separate no. of fruit trees, timber trees and fodder trees Determine production losses with assistance from local resource specialist Authorise removal of the trees in COI Provide compensation 	<ul style="list-style-type: none"> CDO District Forest Office 	<ul style="list-style-type: none"> Approved funds from project Cabinet permission for compensation of FUGs
<p>AGRICULTURAL PRODUCTION</p> <ul style="list-style-type: none"> Update record of land losses (productive/unproductive land, crop production) Adjust district level figures on land areas and crop production Provide compensation 	<ul style="list-style-type: none"> District Agriculture Office 	<ul style="list-style-type: none"> Cooperation with local communities Approved funds from project Additional manpower required to perform the work
<p>REHABILITATION AND LOCAL DEVELOPMENT</p> <ul style="list-style-type: none"> Ensure compensation to affected persons Assist in land purchasing and resettlement of APs nearby their existing settlements Arrange access to other development activities for communities Monitor AP rehabilitation NGO savings and credit scheme implemented Monitor/supervise the activities of NGOs/INGOs 	<ul style="list-style-type: none"> DoR Social Mobiliser/ NGO 	<ul style="list-style-type: none"> Approved funds from project Support from DoR supervising engineers Support from CBO/NGOs/INGOs involved in community development

XIII. Monitoring and Evaluation

A Monitoring Requirements

201. The project has ongoing monitoring and evaluation of the resettlement process in order to ascertain that the procedures proscribed have been followed and that affected persons are at least no worse off than they were without the project.

202. A monitoring and evaluation programme was required to:

- Record and assess project inputs;
- Assess that the procedures were followed;
- Assess the number of persons affected and compensated;
- Assess whether compensation was assessed and disbursed according to the entitlement matrix,
- Assess whether affected people have been able to restore their income and that mechanisms are in place through the social mobilisers and NGOs for promoting involvement of local people in other development initiatives.

203. Monitoring was at Executing Agency level and required an appropriate management and supervision system followed by participatory monitoring with communities. The resettlement team (DOR project managers and consultants) was responsible for monitoring resettlement activities and for managing the entitlement and compensation database. The resettlement team designed and implemented a resettlement monitoring system for each road section and monitored all sub-project resettlement activities and progress.

204. The resettlement team has verified internal reports and checked delivery of:

- Reaction of APs to resettlement and compensation packages;
- Land acquisition and transfer procedures;
- Payment of compensation and timing;
- House relocation and reconstruction by APs;
- Provision of employment, adequacy and income levels;
- Re-establishment of business enterprises by APs;
- Training;
- Rehabilitation of vulnerable groups;
- Infrastructure repair, relocation or replacement;
- Enterprise relocation, compensation and its adequacy; and

205. The aim was to identify categories of impacts and evaluate the quality and timeliness of delivering entitlements, how the entitlements were used and their impact and adequacy to meet the specified objectives of the Resettlement Plan (RP). The team will report on the actions that were needed to bring the resettlement activities in line with the policy and the RP, provide a timetable and define budget requirements for supplementary mitigation measures, and detail the process of compliance monitoring.

B Monitoring and Evaluation Indicators

206. After acquisition and relocation, M&E now monitoring focuses on economic recovery of the affected persons which includes employment/ income restoration, impact of income restoration programmes on APs' living standards and the sustainability of new livelihood patterns. The most crucial indicators to be monitored are the specific resettlement activities and the entitlement matrix. The indicators fall into three categories; process, output and impact.

207. These are summarised in Table 13.1.

Table 13.1: Monitoring and Evaluation Indicators

Type	Indicator	Examples of Variables
Input	Staffing	1. Number of other line agency officials available for tasks 2. Number of Social Mobilisers located in the field
Process Indicator	Consultation	3. Grievances by type and resolution 4. Number of field visits by DoR/project staff and social mobilisers 5. Number of NGOs/CBOs participating in project

Type	Indicator	Examples of Variables
	Procedures in Operation	6. Census and asset verification/quantification procedures in place 7. Effectiveness of compensation delivery system 8. Number of land transfers (owner to GoN) effected 9. Coordination with line agencies
Output Indicator	Acquisition of Land	10. Area of cultivation land acquired by road section and contract 11. Area of other private land acquired 12. Area of communal/government land acquired
	Buildings	13. Number, type and size of private buildings acquired 14. Number, type and size of community buildings acquired 15. Number, type and size of government buildings acquired
	Trees and Crops	16. Number and type of private trees acquired 17. Number and type of government/community trees acquired 18. Crops destroyed by area, type and number of owners
	Compensation and Rehabilitation	19. Number of households affected (land, buildings, trees, crops) 20. Number of owners compensated by type of loss 21. Amount compensated by type and owner 22. Number and amount of allowances paid 23. Number of replacement houses constructed by APs 24. Number of replacement businesses constructed by APs 25. Number of owners assisted with purchasing of replacement land 26. Number of replacement land purchases effected
	Reestablishment of Community Resources	27. Number of community buildings repaired or replaced 28. Number of seedlings supplied by type 29. Number of trees planted by government agency
Impact Indicator	Household Earning Capacity	30. Employment status of economically active members 31. Landholding size, area cultivated and production volume, by crop 32. Selling of cultivation land 33. Changes to livestock ownership – pre- and post disturbance 34. Changes to income-earning activities (agriculture) – pre- and post disturbance 35. Changes to income-earning activities (off-farm) – pre- and post disturbance 36. Amount and balance of income and expenditure
	Changes to Status of Women	37. Participation in training programmes 38. Use of credit facilities 39. Participation in road construction 40. Participation in commercial enterprises
	Changes to Status of Children	41. School attendance rates (male/female) 42. Participation in road construction

208. The indicators and benchmarks will be monitored through ongoing monitoring of process and output indicators at both central and District levels and participatory monitoring and evaluation through the work of the LCFs, affected persons and social mobilisers;

209. The road section Project Manager (PM) and the resettlement team are responsible for the on-going monitoring of land acquisition, compensation and resettlement activities. The Project Managers submit monthly progress reports to the Project central office. These reports indicate consultation and participation process activities undertaken, the number of affected persons, valuation of assets, negotiations and compensation for loss of assets according to entitlement, grievances made and settled, clearance of the RoW, identification of problems, and corrective measures implemented or required, disaggregated by gender.

210. The Resettlement team has produced quarterly progress reports on the implementation of rehabilitation and income restoration activities. The reports have been submitted to ADB their posting on ADB website.

211. The Project Manager forms and chairs the Local Consultative Forum meetings as and when they are required. They record and monitor local reactions, concerns and grievances for discussion with the Project Manager. The LCFs play an important monitoring

role by providing feedback on community concerns, grievances and requests and on feedback of the monitoring process.

212. The Years 1 and 3 monitoring and evaluation have been and will be undertaken to assess the extent to which resettlement and rehabilitation objectives have been met. The asset and resource survey undertaken for land acquisition will form a baseline data set from which many of the indicators can be measured. Evaluation of such a data set will be undertaken by the project consultants. Year 1 monitoring survey has been completed and is currently being analysed and reported. The output will be a monitoring and evaluation reports covering the following:

- Whether resettlement activities have been completed as planned and budgeted;
- The extent to which specific objectives and expected outcomes/results have been achieved and factors affecting their achievement or non-achievement;
- The extent to which the overall objective of the RP and the desired results of improving living standards, income earning capacity and production levels or at least restoring them to pre-project levels, have been achieved and the reasons for achievement or non-achievement.
- Major lessons learned;
- Key risk factors and
- Recommendations