



**Government of Nepal**  
**Ministry of Industry, Commerce and Supply (MoICS),**  
**Ministry of Agriculture and Livestock Development (MoALD)**

**Strategic Road Connectivity and Trade Improvement  
Project (SRCTIP)-Trade Facilitation Component**

**RESETTLEMENT POLICY FRAMEWORK (RPF)**

**March 2020**

**ACRONYMS AND ABBREVIATIONS**

CBO	Community Based Organization
CBS	Central Bureau of Statistics
CDC	Compensation Determination Committee
CDO	Chief District Officer
CDR	Central Development Region
CSC	Construction Supervision Consultant
DAO	District Administration Office
DCC	District Coordination Committee
DIA	Direct Impact Area
DLRO	District Land Revenue Office
EDR	Eastern Development Region
EIA	Environmental Impact Assessment
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standard
MoALD	Ministry of Agriculture and Livestock Development
MoICS	Ministry of Industry Commerce and Supplies
RPF	Resettlement Planning Framework
RAP	Resettlement Action Plan

## Table of Contents

<b>Title</b>	<b>Page No.</b>
1. Introduction	1
2. Project Description: SRCTIP-Trade Facilitation Component	1
3. Objectives of RPF	2
4. Potential Issue and Impacts	2
5. Legal Framework	3
5.1 Land Acquisition, Rehabilitation, and Resettlement Policy 2015	3
5.2 Land Acquisition Act 1997	4
5.3 Donor Agencies World Bank Policies on Involuntary Resettlement and Land Acquisition	5
5.3.1 Environmental Social Standard (ESS-5)	5
5.4 Comparison of the GoN's and Donor Agencies Policies on Involuntary Resettlement and Land Acquisition	6
5.4.1 Common Principles	7
5.4.2 Identification of Gaps and Limitations in the National Policies	7
5.4.3 Recommendations to Bridge the Gaps	8
5.5 Eligibility, Entitlement and Valuation	12
5.5.1 Eligibility	12
5.5.2 Entitlement Framework	12
5.5.3 Carrying Out the Valuation of Affected Assets	21
6. Public Participation, Consultation and Grievance Mechanism	22
6.1 Mechanism of Consultation and Participation of PAPs	22
6.2 Establishment of Grievance Redress Mechanism	23
7. Monitoring and Evaluation	24
7.1 Monitoring Social Aspects Pertaining RAP	25
7.2.1 Internal Monitoring	26
7.2.2 External Monitoring	26
7.2.3 Social Indicators to Monitor the Effectiveness of the Proposed RAPs	26
8. Institutional Responsibilities and Implementation Arrangements for RAP	30
8.1 Key Agencies at Different Level	30
8.2 Project Coordination Unit (PCU) E&S Team	31
8.3 Implementing NGOs	31
8.4 Implementation Schedule for the Resettlement Action Plan	32
8.5 Cost Estimate and Financing for the Rap	33
8.6 Procedure for the Resettlement Action Plan	34

## **1. Introduction**

This Resettlement Policy Framework (RPF) provides policy, strategy, process and procedures to understand the resettlement principles, organizational arrangements and design criteria to be applied to meet the needs of the people who may be affected by the project activities resulting due to land acquisition, loss of shelter, assets or livelihoods, business and/or loss of access to economic resources. This RPF has prepared relevant strategies in full compliance with Government of Nepal (GON) and World Bank's Environmental and Social Framework, specific objectives of Environmental and Social Standard 5.

This RPF will be applicable for Strategic Road Connectivity and Trade Improvement Project (SRCTIP) – Trade Facilitation Component implemented by the Ministry of the Industry Commerce and Supply (MoICS) and Ministry of the Agriculture and Livestock Development (MoALD) and funded by the World Bank.

The Resettlement Policy Framework (RPF) is developed at this stage of the project given that the scale and exact locations of project activities to be implemented under this component are not yet determined. Details of the investments will be determined when the relevant feasibility studies as well as Environmental and Social Studies are conducted during the detail design phase. Adhering to this framework the project/sub project should develop Resettlement Action Plan (RAP).

## **2. Project Description: SRCTIP-Trade Facilitation Component**

The proposed SRCTIP project interventions together are envisaged to reduce time and costs of transport and trade facilitation, increase safety and resilience of road improvements and enhance market access, and thereby significantly improve Nepal's transport and trade connectivity with its neighbors India and China and also Bangladesh and Bhutan (via India).

SRCTIP-trade component will support the trade facilitation, wherein: i) the level and quality of border infrastructure will be improved in select locations in keeping with expected growth in trade volumes via those points, ii) selected labs will be enhanced with equipment and/or accreditation to enhance market access for agricultural commodities, iii) access roads sections will be improved for better linkage to transport and the trade, iv) the parking yards around ICDs will be further expanded and improved to enhance the connectivity and trade, and v) training and capacity building.

### 3. Objective of RPF

The objective of the RPF is to implement the proposed Project smoothly to control or minimize any adverse impact due to involuntary resettlement. The RPF makes comprehensive reference to the policies and guidelines to guide the process of land acquisition and resettlement on subproject roads. This policy (RPF) has been prepared in line with the WB's standards of ESS-5 of ESF and GoN's legislations for providing timely compensation for loss of assets at replacement cost and assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation or before civil works, whichever is higher while mitigating unavoidable social and economic impacts from land acquisition or restriction on land use and for improving living conditions of poor and vulnerable persons.

### 4. Potential Issues and Impacts

The potential involuntary resettlement risk and impacts of the Sub-Project of SRCTIP-Trade Facilitation Component have been primarily assessed based on available information and experience from the related previous Project. However, since the feasibility study and detailed design of the project did not start, the detailed involuntary resettlement impact has to be assessed during ESIA exercise. The SRCTIP-Trade Component Sub Project broadly covers the construction and improvement of the boarder infrastructure and Labs at the cross various location of the Inland Container Depot viz; Biratnagar, Birjung and Bhairawaha. Likewise, the selected access road improvement and parking yard development will be carried out in corresponding location. Based on current primary screening SRCTIP-Trade Facilitation component do not expected to require

- land acquisition
- Relocate any communities or groups
- Impact on the cultural heritage and practice

However, based on the preliminary screening and experience from the previous project, the possible potential involuntary resettlement impact could be summarized as followed

- The squatters, encroachers and street markets might exist within the project influence area. The displacement of these people will be necessary for the purpose of project construction.

- As land acquisition of land will not be anticipated, it is likely that some land may be required temporarily for establishment of labor camps, stockpiling of construction materials etc.
- Construction Induce Impact (loss of structures and crops) may occur during construction phase which will be mitigated as per procedures specified as per ESIA/RAP

## **5. Legal Framework**

The Constitution of Nepal proclaims that state shall give priority to the protection of environment, prevention of further damage due to physical development activities by increasing the awareness of the public about environmental cleanliness and suggesting preventive mitigation measures. With respect to property rights: the constitution establishes property rights to every citizen of Nepal whereby every citizen is entitled to earn, use and sell, except for public welfare the state will not acquire or obtain or exercise authority over individuals' property. The state will compensate for the loss of property specified by specific acts. Following laws and regulations are related with the RPF so that they have been described hereunder. The Government of Nepal (GON) has promulgated different laws and legislations for different sectors as prescribed by the constitution of Nepal. There are different laws interrelated to each other such as for construction of road there are independent acts and policy

### **5.1 Land Acquisition, Rehabilitation and Resettlement Policy 2015**

The Government of Nepal has recently formulated Land Acquisition, Rehabilitation and Resettlement Policy 2071 (2015) to facilitate the land acquisition process for infrastructure project. The policy outlines the need to conduct an economic and social impact assessment (SIA) of the development project, which was not a requirement under the Land Acquisition Act 1977. Based on this assessment, projects will be categorized as high, medium and low-risk. High-risk projects refer to those, which displace 50 or more households in the mountainous region, 75 or more households in the hilly region and 100 or more households in the Tarai. Medium-risk projects, on the other hand, are those that force relocation of less than 50 households in the mountainous region, less than 75 households in the hilly region and less than 100 households in the Tarai. Likewise, low-risk projects refer to those, which cause productive property to shrink by up to 10 percent.

## **5.2 Land Acquisition Act 1977 (2034 B.S.)**

Land Acquisition Act 1977 will be the main instrument for the land and other physical asset acquisition. The act guides the compulsory acquisition of land in the country. Government can acquire land at any place in any quantity by giving compensation pursuant to the Act for the land acquired for any public purposes or for operation of any development project initiated by government institutions. With respect to the resettlement policy framework, the following legal provisions outlined in the Land Acquisition Act are relevant:

- The acquisition and compensation of privately-owned assets will be undertaken according to a formal procedure, consisting of initial procedure, a preliminary investigation process, acquisition notification, compensation notification, and appeal procedures.
- Compensation Determination Committee (CDC) will be established at district level to ascertain compensation rates for the land and other assets.
- CDC ascertain compensation rates must be notice to GoN or Provincial Government by Chief District Administration Officer.
- Compensation must be paid (a) for damage caused as a result of investigations during the project (including sanding crops, trees, and houses)
- Compensation must be in cash, although titleholders who have lost all their landholdings will be provided land for resettlement, if available.
- Compensation against all types of loss will be paid to the affected person who has the right to claim for the compensation.
- Entitled to compensation for land and assets, affected person must submit an official land registration certificate at the time of compensation.
- Titleholders are required to submit compensation claims or complaints within a specified period after the issuance of land acquisition notice.
- Compensation for land will be after the valuation of rate by compensation determination committee.
- In determining the compensation amount, the committees have to consider relevant periodic guidelines of GON and the loss suffered by persons due to acquisition of land, shift of residence or place of business to another place.
- If the land must be acquired, the CDC has to consider the following in determining the compensation amount: price of the land prevailing at the time of notification of land acquisition, price of standing crops, and structures, and

damage incurred by persons being compelled to shift their residence or place of business due to the land acquisition.

As per the recent amended Land acquisition act 1977 has provisioned to establish an acquisition and rehabilitation committee known as Compensation Determination Committee consisting of concerned Chief District Officer (Chair); Land revenue Officer; Officer level representative of the District Administrative Office and the Project Manager/In-charge and others as deemed necessary; and Representative of respective Rural municipality or Municipality. The committee is responsible for acquire land and assets and compensation payment. Land acquisition must also comply with the provisions of the Guthi Corporation Act, 1976. Section 42 of this act states that Guthi (religious trust land) acquired for a development must be replaced with other land.

### **5.3 Donor Agencies World Bank Policies on Involuntary Resettlement and Land Acquisition**

#### **5.3.1 Environmental Social Standard (ESS-5)**

The objectives of ESS-5 of WB ESF are:

- To avoid involuntary resettlement or, when unavoidable, minimize involuntary resettlement by exploring project design alternatives
- To avoid forced eviction
- To mitigate unavoidable adverse social and economic impacts from land acquisition or restrictions on land use by: (a) providing timely compensation for loss of assets at replacement cost and (b) assisting displaced persons in their efforts to improve, or at least restore, their livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation

In some circumstances, it may be proposed that part or all of the land to be used by the project is donated on a voluntary basis without payment of full compensation. Subject to prior Bank approval, this may be acceptable providing the Borrower demonstrates that:

- i. The potential donor or donors have been appropriately informed and consulted about the project and the choices available to them;
- ii. Potential donors are aware that refusal is an option, and have confirmed in writing their willingness to proceed with the donation;

- iii. The amount of land being donated is minor and will not reduce the donor's remaining land area below that required to maintain the donor's livelihood at current levels;
- iv. No household relocation is involved;
- v. The donor is expected to benefit directly from the project; and
- vi. For community or collective land, donation can only occur with the consent of individuals using or occupying the land.

The Proponent will maintain a transparent record of all consultations and agreements reached. This may include situations where a project supports voluntary transactions between communities, governments and investors involving significant areas of land (for example where a project involves support to commercial investment in agricultural land). In such cases, in applying the relevant provisions of the ESS 5, special care must be taken to ensure:

- i. That all tenure rights and claims (including those of customary and informal users) affecting the land in question are systematically and impartially identified;
- ii. That potentially affected individuals, groups or communities are meaningfully consulted, informed of their rights, and provided reliable information concerning environmental, economic, social and food security impacts of the proposed investment;
- iii. that community stakeholders are enabled to negotiate fair value and appropriate conditions for the transfer;
- iv. that appropriate compensation, benefit sharing and grievance redress mechanisms are put in place;
- v. that terms and conditions of the transfer are transparent; and
- vi. mechanisms are put in place for monitoring compliance with those terms and condition

#### **5.4 Comparison of the GoN's and Donor Agencies Policies on Involuntary Resettlement and Land Acquisition:**

This RPF carried out a comparative analysis of the national and donor agencies policies on involuntary resettlement/land acquisition and presents recommendations to bridge identified gaps.

### **5.4.1 Common Principles**

Generally, both the donors' and the policy of GoN support the following basic principles:

- Involuntary resettlement shall be avoided or minimized to the extent possible, through the incorporation of social consideration into design options and alignment selections.
- Where displacement is unavoidable, i.e. people losing assets, livelihood and other resources shall be assisted in improving or at a minimum regaining their former status of living at no cost to themselves.

There are some areas, however, where additional measures or further specifications for the entitlements under national guidelines and laws are necessary to meet the standards of the World Bank

These additional measures are essential for ensuring that the principles mentioned above will be achieved. In addition, a well thought out, specific entitlement framework would protect the project from major delays caused by confusion.

### **5.4.2 Identification of Gaps and Limitations in the National Policies**

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

- National law makes provision for compensation to the titled landholder only and, by default, omits all other PAP, including non-registered tenant farmers, landless farmers, squatters, agricultural labourers, shopkeepers, artisan groups and Dalits. There are also no provisions to protect the interests of vulnerable groups.
- National law does not make any provision for encroachers or squatters regarding to the entitlement for compensation. The reason to them is to assist poor people whose assets and livelihoods may be lost or disrupted by the project.
- Accordingly, there is no provision for rehabilitation assistance for such vulnerable groups.
- When GoN requires assets, national law does not specify about the provision of mandatory replacement cost.
- The Land Acquisition Act, 1977 does not emphasize transparency and stakeholder participation for various decisions that directly affect the long-term wellbeing of PAPs. Also, the CDC does not require participation of either the representatives of PAPs or representatives from the local /municipalities (now RM/M).

- Land Acquisition, Resettlement and Rehabilitation Policy, 2015 highlights about compensation in 12.1 to 5 and about the resettlement and rehabilitation from 17.1 to 4
- There are no clear directives to look at project design options that avoid or minimize involuntary resettlement.
- Only cash compensation is considered for payment. It is the easiest mode of operation but its long- term impact on families who are not used to large cash flow can be more negative than otherwise.
- There is a provision in the Land Acquisition Act, 2034 for land-for-land compensation such that if a titleholder loses all his/her land and opts for land as compensation, the government may provide land if there is ailani (unclaimed land) or other government land available. Past experience, however, indicates that the relevant clauses are too general and do not oblige implementation. It is not clear if PAPs can exercise this right or it is entirely the decision of the government.
- Lack of consideration of the apparent time gap between notification of acquisition and the payment of compensation is another limitation of the existing legal framework.

#### **5.4.3 Recommendations to Bridge the Gaps**

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

Policy recommendations to close the identified gaps and limitations are:

- A project affected person needs to be defined as a person or household whose livelihood or living standard is adversely affected through loss of land, housing and other assets, income, or access to services as a consequence of the implementation of the project, causing a change in land use.
- Entitlements should be established for each category of loss.
- Special attention should be given to protect the interest of vulnerable groups
- With a notification date as cut-off date, no fraudulent encroachments after this date should be considered eligible for entitlements of compensation. However, landless farmers/ squatters who have been occupying public land before the cut-off date, but without legal title, which has not been claimed by others, should be entitled to compensation for the loss of structures;

- Non-land assets should be compensated at replacement value and their relocation and transportation must be assisted. Support for vulnerable groups should be provided to improve their livelihood
- Practical provisions must be made for the compensation for all lost assets to be made at replacement cost without depreciation or reductions for salvage materials
- Efforts must be made to assess the real replacement costs of land. A procedure should be established for determining compensation rates accurately plus rigorous efforts to assess the replacement costs and market rates for all assets, including labor costs for construction.
- There must be legal provision of PAPs and local representatives of RM/M participation in settling the resettlement issues related to compensation, relocation and rehabilitation.
- Land acquisition and resettlement should be avoided, minimized mitigate of compensate where feasible, exploring all viable alternative project designs.
- Options for compensation should be kept open; decision should be made only after project detailed analysis, meaningful consultation, and acceptance by the project affected families, based on full information being made available to them about the implications of the various options.
- Titleholders who are severely affected through loss of their agricultural additional support should be offered a choice of assistance with the identification and purchase of suitable privately owned cultivation land in the community (if there is no suitable unallocated replacement land), or cash compensation. They should also be entitled to rehabilitation assistance such as skills training for one household member.
- Full compensation for all losses, including land, at current market price shall be paid promptly before evacuation. In the case of residential land, current market price of similar land of equivalent size must be provided together with transfer arrangements in the case of displacement, and cash compensation in the case of partial loss without displacement. Tenants renting residential land will be compensated in cash and assisted in finding suitable alternative residence.

**Table 5.1: Comparison of GoN and World Bank Policies on Entitlement for Land Acquisition, Gaps and Recommendations**

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

Type of Impact	Entitlement Unit	GoN Policy	World Bank Policy	Recommendations
- ditto - Additional loss(constructi on related induced impact)	Families, households, structure owners	➤ Cash compensation determined by Compensation Fixing Committee on the current value of houses and structures, in accordance with the Land Acquisition Act and Land Acquisition Regulations.	➤ Compensation at full replacement cost. For houses and structures the market cost of the materials and labor to build a replacement structure of a similar quality or better than the affected structure.	➤ Cash compensation in accordance to the Land Acquisition Act. To ensure compensation is at replacement cost, additional resettlement assistance in cash equivalent to cover depreciation over and above compensation amounts provided.
<b>C. ECONOMIC ASSETS</b>				
Income losses for affected HH	Families, households		➤ Compensation at full replacement cost.	<ul style="list-style-type: none"> <li>➤ Compensate and replace lost assets at the their replacement cost.</li> <li>➤ Compensation for perennial crops and trees calculated as annual net product value multiplied by number of years for new crop to start producing.</li> <li>➤ Compensation in cash for lost standing crop.</li> </ul>
<b>D. INCOME</b>				
Local HHs	Affected person, families, households		➤ Measure to assist affected people in improving their former living standards, income earning capacity, and production levels, or at least restoring them.	➤ Rehabilitation assistance for lost or severed livelihoods.
Local communities	Affected communities/families		➤ Measures to assist impacted communities to re-establish or re-develop lost community resources.	➤ Compensation for re-establishing or re-constructing lost community resources such as religious and cultural structures.

## **5.5 Eligibility, Entitlement and Valuation**

### **5.5.1 Eligibility**

The World Bank Policy on Involuntary Resettlement requires compensation for the lost assets at replacement costs to both titled and non-title holders ( i.e. squatters, encroachers and tenants) and resettlement assistance for lost income and livelihoods. In the proposed project, the absence of formal titles will not be a bar to resettlement assistance and rehabilitation. Further, the principles adopted herein contain special measures and assistance for any vulnerable affected person (AP). Persons affected by land acquisition, and relocation and/or rehabilitation of structures/assets (businesses, houses, etc.) are entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the affected persons. Thus, the affected persons in the project will be entitled to various types of compensation and resettlement assistance that will help in the restoration of their livelihoods, at least, to the pre-project standards.

The cut-off date of eligibility for entitlement is when the census survey is completed and when publicly announced. Persons who has encroached the area after the given cut-off-date are not entitled to compensation or any other form of resettlement assistance.

During planning and design phase of road construction, efforts will made to minimize impacts on land, people and property and access to resources due to expansion, rehabilitation or construction of road facilities. However, in case where land acquisition will cause adverse impact on people and property or people's access to land or property, the resettlement and cash compensation payment shall be made in accordance to the World Bank ESS-5 and GoN's Land Acquisition Act, 2034 (1977) and Road Act 2031 (1975).

### **5.5. 2 Entitlement Framework**

The project will affect property owners and occupants, their dependents and community groups through acquisition of private and community assets. The Entitlement Policy accordingly specifies compensation and/or rehabilitation measures for two units of entitlement; individuals (i.e. affected individuals and their households) and groups. Entitlements for each type of APs are based on the types and levels of losses. Details on the entitlement framework by type of loss and entitlement unit are shown in Table 5. 2

Those who have formal legal rights to land (including tenancy, customary and traditional rights recognized under the Land Related Act, 2021 (1964) will receive:

- In case of tenancy land, 50 percent of the evaluated amount (value of the affected land) will go to the owner and 50 percent is paid to the tenant.
- Those who do not have formal legal rights to land at the time of the census begins but have a recognizable legal right or claim to such land or assets. They are the persons waiting for the Land Certificate (“Lal Purja”) to be approved by the District authority but who have documents to prove as such. They are all entitled to full compensation at replacement cost.
- Those who occupy land temporarily or on a leased-basis allocated to them by the individual, community and any private or public organization with the written permission or signed contract. Entitlement will be provided according to the lease arrangement.
- Those who have no recognizable legal rights or claim to the land they are occupying i.e. squatters, ownerships under dispute etc. GoN laws and regulations do not provide any compensation to this category. However, with an assumption that people of this category are poor and vulnerable, the Project will compensate for the loss of crops at market prices and structures at full replacement cost. For poor and vulnerable affected persons who have no other land, the Project will suggest to allocate land and provide temporary or lease land rights to them as well as relocation allowances and rehabilitation measures. Landless PAP will not be displaced until the project provides land or alternatives for the poor and vulnerable.
- Guthi, Public or Community Land Area can also be subject to loss of land due to the Project. If the recovered land belongs to the Guthi it will be treated according to the Guthi Corporation Act, 2033 (see Ch.3). On public and community land, the Project will relocate the land or pay cash compensation on consensus basis.

Table 5. 2: Entitlement Matrix

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
<b>1. Agricultural, Residential, Commercial, Pasture and Forestry Land</b>			
1.1 Loss of Private Land under any form of tenure	<ul style="list-style-type: none"> <li>❖ Titleholder</li> <li>❖ Encroacher/ Squatter on public land</li> </ul>	<ul style="list-style-type: none"> <li>❖ Provide compensation at full replacement cost (current market rate) as agreed during public consultation</li> <li>❖ Provide full title to land of equal area and productivity acceptable to owner in the vicinity.</li> <li>❖ If land is not available elsewhere then provide cash compensation at full replacement cost based on current market rate or Government rate whichever is higher.</li> <li>❖ In case of vulnerable groups preference should be to replace land for land</li> <li>❖ Squatter/encroacher cultivating the effected land for at least three years prior to the cut-off date will be entitled to allocation of land if ailani or other government land is available. However illegal occupants after the cut-off date do not qualify for compensation for land losses.</li> <li>❖ Resettlement assistance in lieu of compensation for land occupied (land, other assets, employment) at least restore their livelihoods and standards of living to pre-displacement levels.</li> <li>❖ In the case of farmland, the AP will be entitled the cultivation disruption allowance equal to one-year production.</li> </ul>	<ul style="list-style-type: none"> <li>❖ A List of available <i>ailani</i> land in each affected wards is required</li> <li>❖ A list of affected and entitled persons and the area of land loss is required</li> <li>❖ Notice to vacate will be served at least 35 days prior to acquisition date.</li> <li>❖ If any owner having significant impact receives cash compensation for farmland and purchases replacement farmland within 1 year from the date of receiving compensation, all related land registration fees, taxes and duties will be borne by the project.</li> <li>❖ Case-wise compensation will be either by cash or cheque, depending on the owner's preferences.</li> <li>❖ To ensure fair compensation, determination of rates will be established not more than one year prior to property acquisition.</li> </ul>
1.2 Loss of Tenancy Land	<ul style="list-style-type: none"> <li>❖ Landlord and Tenant by a written agreement (That is yet in practice and to be processed as per 2058 B.S. Amendment in Land Reform Act).</li> <li>❖ Renter/lease holder</li> </ul>	<ul style="list-style-type: none"> <li>❖ Both the landlord &amp; the tenant will be entitled for 50 percent of land compensation amount each (As per 2058 B.S. amendment in Land Reform Act).</li> <li>❖ Non-registered tenant/renter/lease holder does not qualify for compensation for land losses; however, they will be entitled to compensation for crops.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Where a renter/leaseholder has a sharecropping arrangement, the compensation payable should be apportioned according to the arrangement.</li> </ul>
1.3 Loss of <i>Guthi</i> (Trust)	<ul style="list-style-type: none"> <li>❖ Entitled Person/ institutions and tenant in accordance with the</li> </ul>	<ul style="list-style-type: none"> <li>❖ As per Guthi Corporation Act, 2033</li> </ul>	<p>Guthi (religious trust land) acquired for a development must be replaced with other land.</p>

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
Land)	Guthi Corporation Act 2033.		
1.4Temporary Loss of Private Land	<ul style="list-style-type: none"> <li>❖ Titleholder</li> <li>❖ Tenants and landlord (As both are the owner of equal (i.e. 50 %) share, hence treated as private land holder.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Compensation for crop, land productivity and other property losses for the duration of temporary occupation.</li> <li>❖ Compensation for other disturbances &amp; damages caused to property.</li> <li>❖ Or, Contractor to negotiate a contract agreement on the rental rate with the owner for temporary acquisition of land.</li> <li>❖ Project and the Contractor to ensure that persons other than the owner affected as a result of temporary acquisition are compensated for the temporary period.</li> <li>❖ Land should be returned to the owner at the end of temporary acquisition period, restored to its original condition or improved as agreed with owner.</li> </ul>	<ul style="list-style-type: none"> <li>❖ The owner/entitled party will sign a temporary occupation contract specifying: <ul style="list-style-type: none"> <li>➤ Period of occupancy,</li> <li>➤ The terms and conditions for calculation of production losses,</li> <li>➤ The frequency of compensation payment, and</li> <li>➤ Land protection and rehabilitation measures.</li> </ul> </li> <li>❖ The land will be returned to the owner at the end of temporary acquisition, restored to its original condition.</li> </ul>
<b>2. Crops and Trees</b>			
2.1 Loss of Trees & Perennial Crops	<ul style="list-style-type: none"> <li>❖ Titleholder</li> <li>❖ Lessee/cultivators having agreement with the owner</li> <li>❖ Landless squatter/encroachers on public land</li> </ul>	<ul style="list-style-type: none"> <li>❖ Advance notice to harvest crops</li> <li>❖ Net value of existing crops where harvesting is not possible.</li> <li>❖ The crops, which live, in short time will be paid in accordance with one-year output value. The crops which have lived for several years will be compensated at market value on the basis of loss of future production, based on 5 years annual net production for fruit &amp; fodder trees &amp; 3 years annual net production for timber/ fuel wood trees &amp; other perennial crops.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Inventory of the tree and plant species list</li> <li>❖ List of owner, non-perennial crops and the area (if applicable) of cultivation should be prepared</li> <li>❖ The APs will get notice 3-6 months in advance regarding crop harvesting. Crops grown after the issue of the notice will not be compensated.</li> <li>❖ The work schedule has to be adjusted considering the crop seasons so that for avoiding crop damage.</li> <li>❖ Crop/trees/bamboo market values will be determined by the CFCs in consultation with District agriculture and forestry office.</li> <li>❖ Where a tenant/renter/lessee &amp; landowner have a sharecropping arrangement, the compensation payable</li> </ul>
2.2 Loss of Non-perennial crops			

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
2.3 Additional loss(construction induced impact)			<p>should be apportioned according to the arrangement.</p> <ul style="list-style-type: none"> <li>❖ Materials may be salvaged with no deduction from compensation</li> </ul>
<b>3. Houses, Structures and Other basic facilities</b>			
3.1 Loss of own house & Privately owned other structures  3.2 Loss of commercial establishment.	<ul style="list-style-type: none"> <li>❖ Full Titleholder</li> <li>❖ Tenant/Renter/Lease holder (own accommodation)</li> <li>❖ Landless squatter/encroachers on public land</li> </ul>	<ul style="list-style-type: none"> <li>❖ Compensation for full or partial loss of house and other structures at full replacement cost of materials and labor according to house/structure type, with no deduction for depreciation.</li> <li>❖ Every displaced household is entitled to a housing displacement allowance, based on the established rates per HH, capita, capita income and/or minimum wage rate.</li> <li>❖ Every household will receive transportation allowance on actual cost basis.</li> <li>❖ However, loss of structures other than household and commercial establishments does not entail payment of a displacement allowance</li> <li>❖ Resettlement assistance to those most vulnerable households to restore pre-displacement livelihoods.</li> <li>❖ Every displaced household with business affected will be entitled to receive one time lump sum grant; minimum one month's income based on the nature of business and type of losses assessed on a case to case basis. Daily minimum wage rate may be used as compensation for business loss as basis for calculation when and as applicable.</li> <li>❖ One time cash assistance (displacement allowance) equivalent to one months' rent for moving to alternative premises for commercial establishment</li> <li>❖ The household will be entitled to a rental stipend for loss of rented accommodation</li> <li>❖ Cash compensation for damages to structures resulting from temporary occupation of land at replacement cost.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Replacement cost at market value of house and structures will be determined by the CDC in consultation with local experts and compensation prices will be finalized with participation of LCF/AP representatives.</li> <li>❖ Formal resettlement planning will be undertaken where more than 10 households from one settlement/residential area are displaced, if the households having significant impacts opt for group resettlement site.</li> <li>❖ Other structures include: toilet, sheds, walls, fences, water mills, workshop etc.</li> <li>❖ Materials may be salvaged with no deduction from compensation</li> <li>❖ Non-titleholder (squatters, encroachers) will not be entitled to any compensation for their affected unauthorized/illegal extensions over public land.</li> <li>❖ Vulnerable encroachers with economic losses may be entitled to assistance as a vulnerable group, at established rates determined by the CDC.</li> <li>❖ Renter/ lessee holder will not be entitled for compensation of structures. However if the structures are made by them, they will be entitled to compensation or will be according to the lessee agreement</li> </ul>
3.3 Loss of rented accommodation	<ul style="list-style-type: none"> <li>❖ Renter/Lessee holder</li> </ul>		

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
3.4 Other basic household facilities	<ul style="list-style-type: none"> <li>❖ Titleholder</li> <li>❖ Tenant/lessee holder/renter</li> <li>❖ Landless squatter / encroacher on public land.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Payment of installation charge or compensation for relocation of electricity, telephone line, TV cable drinking water and other infrastructure to the installer, if these exists.</li> </ul>	<ul style="list-style-type: none"> <li>❖ The concerned authority will be requested to assist the households to reinstall or permit the facilities in their new location if applicable/required.</li> </ul>
<b>4. Community and Cultural Assets/ Facilities</b>			
4.1 Loss of community buildings/ structures, cultural assets	<ul style="list-style-type: none"> <li>❖ Local community/ User's group</li> </ul>	<ul style="list-style-type: none"> <li>❖ Cash compensation for restoring affected community and cultural resources.</li> <li>❖ Restoration of affected community buildings and structures to at least previous condition, or replacement in areas identified in consultation with affected communities and relevant authorities.</li> <li>❖ Restoration before commencement of the project where necessary, or to be determined in consultation with the community.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Community resources/facilities include: schools, temples/monastery, religious tree, graveyards, ghats, waiting sheds, including the community hall etc. established by the local community/ CBOs.</li> </ul>
4.2 Loss of land	<ul style="list-style-type: none"> <li>❖ Local community user's group</li> </ul>	<ul style="list-style-type: none"> <li>❖ Restoration of access to community resources</li> </ul>	<ul style="list-style-type: none"> <li>❖ The land revenue office in the district and concerned RM/M/municipality will be requested to assist communities for land replacement identifying the area nearby.</li> </ul>
4.3 Loss of community forests and other natural resources due to construction	<ul style="list-style-type: none"> <li>❖ Forest user's group/Other Groups Concerned</li> </ul>	<ul style="list-style-type: none"> <li>❖ Mitigation measures should be initiated to control erosion caused by tree cutting, and to stabilize and rehabilitate the slopes with suitable bioengineering works and vegetation.</li> <li>❖ Community forestland lost due to road construction should be replaced and reforested according to DoF regulations including others concerned.</li> <li>❖ Advance notice to harvest resources from affected community forest areas.</li> <li>❖ Compensation for trees to the FUG</li> </ul>	<ul style="list-style-type: none"> <li>❖ List of plant and tree species lost and an assessment for maintaining that kind of vegetation</li> <li>❖ Compensation for trees calculated on the basis of type, age, and productive value of affected trees in consultation of concerned forestry office and FUG.</li> <li>❖ To minimize damage the department of Forestry will be requested for necessary action.</li> </ul>
<b>5. Displacement Allowances</b>			

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
5.1 Displacement of households	<ul style="list-style-type: none"> <li>❖ Titleholder</li> <li>❖ Tenant /Lessee holder, Renter</li> <li>❖ Landless squatter / Encroachers on public land.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Every households displaced will be entitled to a housing displacement allowance.</li> <li>❖ Each displaced renter, lessee holder household will be entitled to a rental stipend for loss of rented accommodation.</li> <li>❖ The households affected by partial loss of structures that can be repaired will be entitled to repair allowance for mitigating the loss, not displacement allowance.</li> </ul>	<ul style="list-style-type: none"> <li>❖ Each displaced household will receive housing displacement allowance equivalent to two months poverty line income (PLI).</li> <li>❖ Displaced households living on rent will receive 35 days notice or rental stipend equivalent to 0.5 month PLI plus transportation assistance by the project.</li> <li>❖ Allowances will be paid prior to displacement.</li> <li>❖ Partial loss to be calculated as per the cost of replacement material and labour cost.</li> <li>❖ The following cultivation disruption allowances will apply to               <ul style="list-style-type: none"> <li>❖ households with total landholdings of 0.25 ha and smaller who loose more than 10 % of their landholdings;</li> <li>❖ households with total landholdings above 0.25 ha who loose more than 25 % of their landholdings;</li> <li>❖ households, whose production levels are severely affected through participatory assessment with LCFs.</li> <li>❖ The cultivation disruption allowance will be equal to one season's production on the area of land lost, based on published District/RM/M production figures, land type and crop market prices for the year of acquisition.</li> </ul> </li> </ul>
5.2 Displacement of commercial enterprise		<ul style="list-style-type: none"> <li>❖ Every household of displaced businesses will be entitled to a business displacement allowance for loss of commercial establishment.</li> </ul>	
5.3Transportation allowance		<ul style="list-style-type: none"> <li>❖ Each displaced household will be entitled to transportation assistance to move their belongings.</li> <li>❖ Cultivation disruption allowance for severe disruption to household cultivation levels.</li> </ul>	
5.4 Severe disruption to cultivation			
<b>6. Group Losses, Vulnerability and Rehabilitation Measures</b>			
6.1 Loss of income indirectly due to the project	<ul style="list-style-type: none"> <li>❖ Persons in the vicinity of the road who may be adversely affected by the project although they do not lose assets.</li> <li>❖ Female community</li> </ul>	<ul style="list-style-type: none"> <li>❖ Rehabilitation assistance such as information dissemination regarding project impacts, compensation alternatives and risks.</li> <li>❖ Preferential access to project construction employment opportunities, to the extent possible.</li> <li>❖ Assessment of current economic activities and potential for improvement to these activities, as well as alternative income earning opportunities.</li> <li>❖ Counselling/information dissemination/ skill development training for job</li> </ul>	<p>List of SPAF with potential impact should be prepare in consultation with LCF &amp; Civil Society and may include:</p> <ul style="list-style-type: none"> <li>❖ Porters and other providers of non-vehicular transport.</li> <li>❖ Ethnic, occupational cast people</li> <li>❖ Having aged people as household head and having disabled family members in the households</li> <li>❖ Women headed poor households</li> </ul>

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
(employment for porters and other laborers)	living near construction section	upgrading/diversification and other possible support services. ❖ Employment opportunity for unskilled labor to female should make compulsory at established rate of at least 33 % female participation.	❖ Poorest of the poor landless households & squatters ❖ Provide clauses in Work Contracts that will require specific employment quota for local female residents, taking into special account vulnerable groups.
6.2 Severe loss of assets directly due to the project, and severe impact indirectly caused by the project.	❖ Households/ APs having significant impacts ❖ Households of the Vulnerable categories ❖ APs family members over 16 years of age	❖ Information dissemination regarding project impacts, compensation alternatives and risks, and resettlement options (where required). ❖ Technical support on saving schemes and cash management. ❖ Preferential access to road construction employment opportunities, to the extent possible. ❖ Assessment of current economic activities and potential for improvement to these activities, as well as alternative income earning opportunities. ❖ Assistance with training in life skills that would help in obtaining employment and/or earning livelihood. ❖ The project will investigate training programs and institutions. In such a case, Funds will be paid directly to the relevant institutions. Or, project by itself will arrange suitable program for its mitigation. ❖ Assistance through the implementation of Vulnerable Community Development Plan.	❖ The rehabilitation measures will be targeted to APs having significant adverse impact and to vulnerable groups in the vicinity of the project area, even though they do not lose assets. ❖ Training on road construction and hiring workers will be included in Contractors' contracts. ❖ APs having significant impact who opt for training assistance will be entitled to a training subsistence allowance equal to a maximum of one three month's minimum wage as established at the national or local level, whichever amount is higher, for the duration of the training course. ❖ The respective Agriculture and forestry related Institutions will be requested to assist in implementing the forestry and agriculture program if required. Any costs required for this will be borne by the project.
<b>7. Damages Caused during Construction</b>			
7.1 any kind of Private and Public Properties	❖ All categories of entitled persons	❖ Extreme care should be taken by Contractors to avoid damaging public and private property unnecessarily. ❖ Where damages do occur to public or private property as a result of construction works, the affected parties shall be compensated immediately for damages to crops and trees, damaged land, structure and infrastructure shall be restored immediately to their former conditions.	❖ The same entitlement policies will apply as for other land acquisition.
<b>8. Government Property</b>			
8.1 Loss of	❖ Relevant agency	❖ Facilities will be repaired or replaced.	❖ To be undertaken in consultation with the relevant

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
infrastructure and facilities			department or ministry
8.2 Loss of forest areas	❖ Department of Forest	❖ Mitigation by means of afforestation.	<ul style="list-style-type: none"> <li>❖ An assessment for maintaining that kind of vegetation</li> <li>❖ To be undertaken in consultation with Department of Forestry</li> </ul>

### **5.5.3 Carrying Out the Valuation of Affected Assets**

All assets that will be affected, as identified by the survey teams, will be properly recorded and verified in the presence of the concerned persons. The detailed survey asset information will be computerized to monitor the reestablishment of PAPs. The valuation of affected assets will be undertaken by the District-level Compensation Fixation Committees (CFCs). It is also recommendable to geo-reference the said assets (land, structures) with the help of a Global Positioning System (GPS) to facilitate monitoring and to be used in case of later claims.

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

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

The methods of valuation for verifying the replacement for each type of losses, which will be carried out by the CFC and resettlement committee, are, but not limited to, the following:

#### **Land:**

- Recent land use rights transfer on land
- Determine whether the established rates are sufficient or not to purchase the same quality and quantity of land in the similar location.

#### **Structures:**

- Evaluate whether the compensation for the structures will enable APs to rebuild their affected structures by consulting landowners, based in an inventory of

- i. types of structures, size, stories, rooms, land areasimilar location and nature of structure, materials used and the cost of various materials
  - ii. Who built the structures (AP or Contractor) and whether will be used or not...
- Obtain cost estimates by consulting at least three local/regional contractors and suppliers in order to:
- i. Identify local/typical cost of materials and labor transportation cost
  - ii. Identify cost of different types of houses according to Categories,
  - iii. Compare prices with those prevailing in the District.

### **Crops and Production Trees:**

- Information will be collected to establish the average market price for these items. Current market prices will be determined in the same and adjoining districts for different types of crops and plants in consultation with District Agriculture Office and the Division Forests Office.

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

## **6. Public Participation, Consultation and Grievance Mechanism**

Public participation as part of citizen engagement i.e. directly and indirectly affected groups including other interested party and meaningful consultation are the basic the principles in arranging for proper resettlement and compensation mechanisms in all forthcoming sub-projects in line with ESS 10. Public consultation includes comprehensive and timely dissemination to the project-affected people, while involving at the same time all agencies who will implement and monitor the process. Care will be taken to maintain transparency of the Project, reduce potential conflicts, minimize the risk of project delays, and enable the Project to design the resettlement and the rehabilitation program as a comprehensive development program to suit the needs and priorities of the APs.

### **6.1 Mechanisms of Consultation and Participation of PAPs**

This framework recommends meaningful public consultation activities and information dissemination to affected people through Stakeholder Engagement Plan (SEP). Public consultation will include both local governments, local communities, project affected families, vulnerable and disadvantage group, women groups, differently able groups, medias, politicians,

transport groups and civil society, where the APs would be regularly provided with information on the project and the resettlement process prior to and during the preparation for resettlement actions. Mechanisms of consultation and participation will include:

1. Public meetings in the project area
2. Information/ awareness campaigns through engaged NGOs
3. Interviews/surveys in project affected households
4. Assess the restriction of accesses of common and community resources
5. Focus group discussions (separate focus group discussion if required),
6. Formation of committees and/or groups including stakeholders during project preparation and implementation.
7. Development of grievance redresses mechanism in line with SEP of the Project.

At early stage of initiating the resettlement process a Local Consultative Forum (LCF) will be formed at RM/M level to ensure PAP's participation in the decision-making process of the RAP implementation. The LCF will play a key role in GRM facilitation.

During the process of preparing RAP, discussions will be held with the directly affected families, institutions and the representatives of the directly affected RM/M. PAP as well as other stakeholders will be requested to participate in meetings of the RAP processes and express their concerns about various aspects of the project.

The information dissemination will be effective through electronic and print media, during public consultation/LCF's meetings, and direct discussion with the affected families and institutions.

PAPs' participation should also be ensured during final assessment of compensation, resettlement and monitoring.

Details of these consultations including dates, names of participants, issues raised and how these have been addressed will be documented in the subproject RAPs.

## **6. 2 Establishment of Grievance Redress Mechanisms**

For SRCTIP-Trade Facilitation Component a grievance redress mechanism will be established to allow affected persons and other related stakeholders to appeal any disagreeable decisions, practices and Activities arising from compensation for land, assets settlements, and technical and general project-related disputes. The APs will be made fully aware of their rights and the procedures for doing so verbally and in writing during consultation, survey, and time of compensation.

The APs will have access to both locally constructed grievances redress committees specified under existing government mechanism i.e. LCF and formal courts of appeal system. Under the latter system every AP can appeal to the court if they feel that they are not compensated

appropriately. They may appeal to appellate court within 35 days of the public notice given to them.

Special project grievance mechanisms such as on-site provision of complain hearings allows project affected persons to get fair treatment on time. The LCF will be established in each road affected M/RM to handle initial grievances of the project-affected people. The Project will handle issues regarding the compensation damages done during construction. The APs will have unhindered access to the Grievance Office to forward and file their complains without being intimidated or being deterred by excessive bureaucratic hurdles. The provisions of Social Mobilizer (SM) in the project implementation are good practices in this regard. SM can be mobilised in order to help APs to file the complaints and concerns to the concerned agency. APs will be exempt from all administrative fees incurred, pursuant to the grievance redressed procedures except for cases filed in court. A three-stage procedure for redress of grievances is proposed for the forthcoming sub-projects (see Box 1)

Box 1

### **Proposed Mechanisms for Grievance Resolution**

- Stage 1: Complaints of APs on any aspect of compensation, relocation, or unaddressed losses shall in first instance be settled verbally or in written form in field based project office (PO).The complaint can be discussed in an informal meeting with the AP by the concerned personnel to settle the issues at the RM/M level. The community consultation, involvement of social and resettlement experts and NGOs will be helpful in this regard. It will be the responsibility of the LCF and project manager to resolve the issue within 15 days from the date of the complaint received.
- Stage 2: If no understanding or amicable solution reached or no response from the PO, the AP can appeal to the CDC. While lodging the complaint, the AP must produce documents to support his/her claim. The CDC will provide the decision within 15 days of registering the appeal.
- Stage 3: If the AP is not satisfied with the decision of CDC or in the absence of any response of its representatives, within 35 days of the complaint, the AP, in his/her last resort, may submit its case to the District Court.

## **7. Monitoring and Evaluation**

The land acquisition and resettlement and vulnerable communities' components will be monitored both internally and externally with the objective of providing feedback to

management on implementation and identifying problems and successes as early as possible to facilitate timely adjustment of implementation arrangements.

### **7.1 Monitoring Social Aspects Pertaining to RAP**

The objectives of the monitoring program are:

- to ensure that the standard of living of APs are restored or improved;
- to monitor whether the time lines for resettlement and compensation are met;
- to assess if compensation, rehabilitation measures and social development support program are sufficient;
- to identify problems or potential social, ethnic or other conflicts; and
- to identify methods of responding immediately to mitigate problems.

The monitoring and evaluation of project-related activities with regard to the social implications will be carried out at two stages: First during the mid-term and a second yet to be determined by the PCU, most likely just before the project completion. The mid-term evaluation will focus more on the process part and will examine if the project is in the right track in implementation in terms of its project design/planning and right processes are being followed. It will also assess the type of adjustments/adaptations being made during the course of implementation as a result of the monitoring.

### **7.2 Types of Monitoring Applied**

For sub-projects where resettlement and land acquisition will be required, specific monitoring and evaluation program will be implemented to (i) record and assess project inputs and the number of persons affected and compensated, and (ii) confirm that former subsistence levels and living standards are being re-established. The range of activities and issues that would therefore have to be recorded and checked, include:

- land acquisition and transfer procedures;
- compensation payments;
- construction of replacement houses by displaced households;
- re-establishment of displaced households and business enterprise
- reaction of severely affected households, in particular, to resettlement and compensation packages; and
- re-establishment of income levels.

Two main monitoring mechanisms will be applied:

### **7.2.1 Internal Monitoring**

This type of monitoring studies the ongoing process and the respective outputs, compared against established social indicators. The projects will be responsible for internal monitoring of RAP implementation. The PCU will supervise the land acquisition components of the RAP. The Social Division of PCU gives guidance on the monitoring and prepare quarterly reports on the findings of the monitoring reports received from the sub-projects. The funding agency (World Bank) will receive copies of these monitoring reports.

### **7.2.2 External Monitoring**

Thus, type of monitoring, carried out by an independent monitoring agency, will assess the extent to which resettlement and rehabilitation objectives have been met. The Project Coordination Units (with approval from World Bank as to ToR and qualifications and experience of monitoring agency) will recruit, for the entire project, an independent external monitoring agency/consultant for independent bi-annual review of RAP implementation to determine whether intended goals are being achieved, and if not, what corrective actions are needed. The independent monitoring agency shall carry out a replacement cost survey to verify and update the district compensation rates in each and ensure that the current market rates are applied and are acceptable as replacement values to both APs and PCU. The independent agency will carry out field visits and consultation with the vulnerable and endogenous communities. The findings of the external monitoring reports will be subject to public disclosure through a public consultation a meeting. External monitoring reports will be submitted to PCU with copies to the funding agency (World Bank).

### **7.2.3 Social Indicators to Monitor the Effectiveness of the Proposed RAPs**

The following table presents the basic indicators that are recommended under this framework for monitoring the success/failure of the resettlement activities and the development programs for vulnerable groups.

**Table 7.1: Framework for Monitoring Social Issues Related to Resettlement and Vulnerable Groups**

Type	Indicator	Variables
Process monitoring indicators	<ul style="list-style-type: none"> <li>❖ PAP involvement in ongoing project works,</li> <li>❖ Consultation,</li> <li>❖ Participation,</li> <li>❖ Grievance Resolution</li> </ul>	<ul style="list-style-type: none"> <li>❖ Number of LCFs formed</li> <li>❖ Number of local workers employed through NGO/CBO mobilization and facilitation initiatives</li> <li>❖ Number of persons belong to vulnerable groups being employed</li> <li>❖ Number of women being employed</li> <li>❖ Number of consultation / participation programs involving stakeholders</li> <li>❖ Grievances by type and resolution</li> <li>❖ Number of field visits by PCU/GESU staff</li> <li>❖ Number of CBOs (Users' Committee) and labour groups participating</li> <li>❖ Number of PAPs who know their entitlements</li> <li>❖ Number of PAPs receiving compensation</li> <li>❖ Number of vulnerable people's household supported</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Procedures inOperation</li> </ul>	<ul style="list-style-type: none"> <li>❖ Census and CFC asset verification/quantification procedures in place</li> <li>❖ Effectiveness of compensation delivery system</li> <li>❖ Number of land transfers effected</li> <li>❖ Coordination between Project Implementation Unit and line agencies</li> <li>❖ Number of households/PAPs to be resettled because of displacement.</li> <li>❖ Status of livelihood restoration activities.</li> <li>❖ Number of targeted beneficiaries provided support with employment, micro-credit disbursed, number of income generating activities etc.)</li> </ul>
Output Indicator-monitoring indicators	<ul style="list-style-type: none"> <li>❖ Acquisition of Land</li> </ul>	<ul style="list-style-type: none"> <li>❖ Area of cultivation land acquired by road section</li> <li>❖ Area of other private land acquired</li> <li>❖ Area of communal/government land acquired</li> <li>❖ Compliance of established norms in land acquisition</li> <li>❖ Number of disputes resolved related to land acquisition</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Structures</li> </ul>	<ul style="list-style-type: none"> <li>❖ Number, type and size of private structures acquired</li> <li>❖ Number, type and size of community structures acquired</li> <li>❖ Number, type and size of government structures acquired</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Trees and Crops</li> </ul>	<ul style="list-style-type: none"> <li>❖ Number and type of private crops and trees acquired</li> <li>❖ Number and type of government/community crops and trees acquired</li> <li>❖ Crops destroyed by area, type and number of owners</li> </ul>

Resettlement Policy Framework: SRCTIP-Trade Facilitation Component

Type	Indicator	Variables
	❖ Compensation and Rehabilitation	<ul style="list-style-type: none"> <li>❖ Number of households affected (land, buildings, trees, crops)</li> <li>❖ Number of owners compensated by type of loss</li> <li>❖ Amount compensated by type and owner</li> <li>❖ Number and amount of allowances paid</li> <li>❖ Number of replacement houses constructed by concerned owners</li> <li>❖ Number of replacement businesses constructed by owners</li> <li>❖ Number of owners requesting assistance for purchase of replacement land</li> <li>❖ Number of replacement land purchases effected</li> <li>❖ Number of delivery of entitlements</li> <li>❖ Number of use of entitlements by APs</li> <li>❖ Suitability of entitlements to APs as per RAP objectives</li> <li>❖ Number of poor and vulnerable APs requesting assistance to allocate land and provide lease/temporary rights</li> <li>❖ Number of assistance made related to poor and vulnerable APs</li> </ul>
	❖ Construction induce impact	<ul style="list-style-type: none"> <li>❖ Number of households affected (land, buildings, trees, crops)</li> </ul>
	❖ Reestablishment of community resources	<ul style="list-style-type: none"> <li>❖ Number of community buildings/facilities repaired/ replaced</li> <li>❖ Number of saplings supplied by type</li> <li>❖ Number of trees planted by government agency</li> </ul>
Outcome/ Impact Indicator- evaluation indicators	<ul style="list-style-type: none"> <li>❖ Household Earning</li> <li>❖ Capacity</li> </ul>	<ul style="list-style-type: none"> <li>❖ Employment status of economically active members</li> <li>❖ Landholding area cultivated, production volume by crop</li> <li>❖ Types and value of livestock raised</li> <li>❖ Selling of cultivation land</li> <li>❖ Changes to agricultural income-earning activities – pre- and post disturbance</li> <li>❖ Changes to off-farm income-earning activities – pre- and post disturbance</li> <li>❖ Amount and balance of income and expenditure</li> <li>❖ Numbers of vulnerable groups received livelihood opportunities</li> <li>❖ Number of APs received employment opportunities to restore pre-project income levels and maintain their original living standards.</li> </ul>
	❖ Changes to Status of Women	<ul style="list-style-type: none"> <li>❖ Participation in users' committees, disaggregated by subject</li> <li>❖ Participation in training programs, disaggregated by subject</li> <li>❖ Participation and types of saving/ credit facilities</li> <li>❖ Participation in road construction employment contracts and payment</li> <li>❖ Participation in commercial enterprises</li> <li>❖ Change in ownership over assets</li> <li>❖ Change in status in decision making</li> <li>❖ Change in the mobility and participation in public affairs and user groups (if formed).</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Changes to Status of Children</li> </ul>	<ul style="list-style-type: none"> <li>❖ School attendance rates (male/female)</li> <li>❖ (illegal) participation in road construction</li> <li>❖ Incidences of trafficking</li> </ul>
	<ul style="list-style-type: none"> <li>❖ Settlement and Population</li> </ul>	<ul style="list-style-type: none"> <li>❖ Growth in number and size of settlements, inside and outside RoW</li> <li>❖ Growth in market areas along the road alignment</li> <li>❖ Influx of illegal settlers/encroachers on the road performance</li> <li>❖ Increase in public facilities</li> </ul>
	❖ Multiplier effect	<ul style="list-style-type: none"> <li>❖ Changes in the economic activities, enterprises and functions of the market</li> <li>❖ Changes in the employment status of the population</li> <li>❖ Changes in the economic and social infrastructures</li> <li>❖ Changes in the pattern of consumption and provision of electricity</li> </ul>

**Table 7.2: Phase-wise Social Monitoring & Evaluation Indicators for SRCTIP**

Issue	Verification	Schedule	Responsibility
<b>A. Construction Period</b>			
Employment of local labour including women and children and wage rates	Site observation regarding illegal child works; attendance record, interaction with Project & contractors.	Weekly	PCU, Consultant, Contractor, NGO/CBO
Employment of local economically weak section of population (unemployed youths)	Job lists, job opportunities by gender; amount of work awarded. Site observation, attendance record, interaction with Project & contractors.	Weekly	PCU, Consultant, Contractor, NGO/CBO
<b>B. Operation Period</b>			
Encroachment into public land/open space/common property (grazing land, open market, temples, etc)	Visit the identified public land/open space, interact with local people, photographic documentation, geo-referencing	Half Yearly	PCU, Consultant, Contractor, NGO/CBO, DCC
Development of new or expansion of old settlements/ business establishments / squatter development along roadside	Observation, recording of sites, photographic documentation, geo-referencing objects; status of affected families	Half Yearly	PCU, NGO/CBO, DCC
Migration to the road side/ displacement of local people	Review of land holding records, discussion with local people/groups. Photographs	Annually	PCU, NGO/CBO, DCC
Road accidents	Discuss with local people, Consult hospitals/health posts records.	Annually	Traffic Police District Road Office/PCU, NGO/CBO,
Incidence of communicable diseases e.g. respiratory diseases, HIV/AIDS, TB etc.	Discuss with local people, health workers/ health post/ records.	Annually	PCU, NGO/CBO, Health Unit, DCC
Upgrading of old and establishment of new schools/colleges along the road and vicinity.	Discuss with local people, political leaders and local groups/CBOs.	Annually	PCU, Dist. Education Office, DCC, NGO/CBO
Student's enrolment for higher studies in near by towns (girls, boys).	Discuss with local people, school teachers and local groups	Annually	PCU, Dist. Education Office

Issue	Verification	Schedule	Responsibility
Changes in the land price, land use, agricultural practices, productivity and crop export	Discuss with farmers and extension workers, agricultural statistics of District Agr. Office, Agric.-Input Corp., District Food Corp. Office, land use maps, photographic documentation	Annually	PCU, District Agriculture Office, Local Authority
State of social harmony and social security (e.g. alcoholism, drug abuse, prostitution, violence)	Police records, discussion with local residents.	Annually	PCU, Local Authority, Police Office
Changes in the living standard of people	Interview with families, RM/Mrecords, discussion with local leaders, CBOs.	Periodically	PCU, Local Authority, NGO/CBO
Displacement of traditional employment (porters, traditional mode of transportation, such as mules, carts)	Discuss with local residents, DCCDCC, community	Annually	PCU/PCU
Condition of cultural and historical areas and aesthetic qualities.	Visit the area; discuss with people, observation and photographs.	Annually	PCU, NGO/CBO

## 8. Institutional Responsibilities and Implementation Arrangements for RAP

### 8.1 Key Agencies at Different Level

At central level, the Ministry of Industry Commerce and Supplies (MoICS) and Ministry of Agriculture and Livestock Development (MoALD) will be the Executing Agency (EA) and for all sub-projects forthcoming under SRCTIP-Trade Facilitation Component a Project Coordination Unit (PCU) will be established by the Project Director (PD). This PCU will be responsible for the overall planning, budgeting, approval and implementation of RAP of the sub-projects. All aspects relating to resettlement and land acquisition activities will be addressed in close consultation and collaboration of the PCU E & S team.

At Municipality and wards level, offices of various line ministries such as Home, Finance, Agriculture and Co-operatives, Forest, Health, Education and Sports and others will be consulted during RAP implementation. Similarly, CBOs, NGOs and Civil Society of the concerned project area will equally be considered during the preparation and the implementation of the RAP.

## **8.2 Project Coordination Unit (PCU) E&S Team**

The SRCTIP-Trade facilitation components PCU plays a key role in management and implementation of the RAP and other safeguard issues of the project. The PCU will have a Social Development Specialist (SDS). The SDS will monitor of land acquisition and resettlement operations and vulnerable/indigenous people's issues. S/he will report to the Project Director at PCU. S/he will work in close coordination with field-based consultants' offices and Project NGO/s on the day-to-day activities of the resettlement plan implementation. A Social Development/Resettlement Specialist from the Construction Supervision Consultants will support the SDS updating the subproject RAPs based on detailed design. S/he will also be responsible in supervision and coordination of all activities related to resettlement implementation for the sub-projects.

In this context, the responsibilities of the SDS :

- Provide guidance and assistance to the project-engaged NGOs/CBOs in the implementation of public information dissemination, consultation and participation process among various stakeholders;
- Guide and assist all support units operating in the district, including the Consultants and the NGOs in the implementation of RAPs;
- Review and suggestions on the RAPs prepared by the consultant during the sub-project's detailed design phases
- Review and propose necessary RAP budget;
- Monitor RAP implementation and progress;
- Supervise the compensation payment process;
- Assist in redressing grievances concerning RAP activities;
- Coordinate with concerned government agencies and other ministries; and
- Consolidate all RAPs submitted by consultant and submit them to the funding donor(s) for review.

## **8.3 Implementing NGOs**

NGOs experienced in resettlement, rehabilitation and livelihood restoration will be engaged as partner organization with PSC to provide facilitation services for implementation of resettlement plan and Activities.

The IA may establish at village Local Consultative Forums (LCFs). These LCFs will assist the Project, the Consultants' survey teams and the Compensation Fixation Committees (CFC) in informing people about the likely resettlement impact and solicit views of the affected people regarding compensation and relocation options.

The Resettlement Expert from the Consultants, with support from the LCFs and CFCs of the respective districts and partner NGO will execute and monitor the progress of the work. S/He will ensure coordination between the relevant departments, NGO, the Grievance Redress Committee and the affected persons. Close coordination will be ensured between District authorities and sub –projects on a day to day basis. If delays are experienced in land acquisition and compensation, SRCTIP-Trade Components PCU will engage special revenue officials for this purpose. Delays at District level will be minimized through close coordination and with the assistance of Chief District Officers.

The concerned NGO staff will undergo a week-long orientation and training in resettlement policy and management prior to the implementation of resettlement Activities. Refresher training will also provide to them after 1-2 months of program implementation for verifying and updating their knowledge on concerned issues.

A summary of Resettlement Action Plans in Nepali language will be made available to the local level NGOs and public offices in the sub-project sites.

#### **8.4 Implementation Schedule for the Resettlement Action Plan**

The Project Proponent will ensure that funds are delivered on time to the CFC and the implementing Consultants and partner NGOs for timely preparation and implementation of the RAP, as applicable. Civil works contracts will not be awarded unless required compensation payment has been completed. However, construction induced impact procedure will be followed by same resettlement policy framework. The procedure is as follows: inventory, assessment , measurement, CDC meeting with notification and asset valuation, Similarly, social preparation initiatives including income rehabilitation measures may continue and be completed even after civil works has begun.

At present, the program foresees only one sub-project where a full RAP needs to be prepared, while the other sub-projects will make provisions for (minor) resettlement actions as provided in the respective management plans in the ESIA

Civil works contracts for each sub-project road will only be awarded after completion of all compensation payments and title transfer activities of both voluntary and involuntary contribution of land and,

For SRCTIP-Trade Facilitation Component an indicative schedule for implementing the RAP is shown in the following table, assuming a sequential order of proposed activities. Some of these steps will overlap in their timing and some will be repeated throughout the project cycle.

**Table 8.1: Milestones for RAP Implementation Schedule**

<b>Activities</b>	<b>Schedule</b>
Deploy and Project office /PCU and NGOs	First year
Mobilize Resettlement/Social Development Specialist from the CSC	First year
Continue implementing consultation, information dissemination and participation programs and grievance resolutions Consultation with local officials, APs and concerned groups/ departments	First year
Prepare and distribute copies of RAP, entitlement framework to affected APs/communities	First year
Verify inventory of losses	First year
Finalize list of entitled persons, establish compensation rates, effect compensation payments, ensure appropriate advance evacuation notification and implement land transfer procedures	First year
Provide rehabilitation support and other social preparation/ social mobilization programs	First Year
Construction induced impact procedure	During construction
Contract and mobilize independent Monitoring agency	Second year
Implement internal and external monitoring programs	Second year

### **8.5 Cost Estimate and Financing for the RAP**

SRCTIP-Trade Facilitation Component generally not expected to have resettlement but associated costs of land acquisition and resettlement, if any, will be itemized and included in the overall project costs under the budget for ‘Environmental and Social Management Costs’. The detailed cost estimates for the will be finalized after the completion of Feasibility study Report and ESIA study which will be finalized in near future .

The cost estimates will include measures for (i) planning and budgeting for land acquisition and resettlement costs, annual budget, and sources of funding; (II) arrangements for approval of resettlement plan cost estimates; and (III) the flow of funds to reach people affected.

## **8.6 Procedures for the Resettlement Action Plan**

The main recommendation is to implement, to the extent possible, all mitigation and monitoring measures as outlined in this framework, and as indicated in Chapter 6 of this document. Other suggestions would include:

- (i) The project will consider alternative-engineering designs to minimize adverse social impacts resulted from land acquisition. Where the social impact assessment indicates that land acquisition and/ or loss of assets is unavoidable, and in cases where a full ESIA is applicable (see Ch. 3), a sub-project RAP needs to be prepared. Generally, GoN requirements specify the undertaking of a RAP if the land acquisition in the project site affects more than 200 people, takes more than 10 percent of any holding, and involves physical relocation of population.
- (ii) An abbreviated RAP is generally acceptable if fewer than 200 people are displaced even if more than 200 people are affected, and land acquisition is less than 10 percent and no physical relocation is involved. In case of most sub-projects of the SRCTIP Program, however, the number of affected HHs that need physically to be relocated due to road upgrading works is expected not to exceed 20. The respective provisions are therefore subject to be included in the Environmental and Social Management Plan which are the core of the IEEs to be prepared for such project types.
- (iii) In case of road upgrading works (as is the case in the forthcoming SRCTIP sub-project, the preparation of the RAP will require data from house-to-house and plot-to-plot socio-economic baseline survey and income restoration measures. The individual RAP documents will be prepared in close consultation with APs, along with active participation of secondary stakeholders, such as local or national government, policy makers, advocacy groups, elected officials and NGOs and the RM/M Chairperson and will be disclosed to the APs. Further consultation and participation program will be conducted to ensure that information on the project objectives, implementation schedule, resettlement and land acquisition; eligibility and compensation issues are properly understood and accepted by the affected communities.
- (iv) During project implementation, resettlement process will be coordinated with the timing of the civil works. The project will provide adequate notification and assistance to affected people so that they will be able to move without undue hardship before the commencement of civil works.
- (v) In the case of land acquisition, the procedures will follow the provisions of the Land Acquisition Act, and the RPF. The subproject RAP after its approval by GoN and the World Bank, will be translated into the local language and made available in a public place accessible to affected people and other stakeholders. The project will ensure that civil works are not started on any subproject sites before compensation and

assistance to the affected population have been provided in accordance with the Resettlement Policy Framework.