



Government of Nepal

Ministry of Agriculture and Livestock Development



Resettlement Policy Framework

Environmental and Social Management Framework (ESMF)

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EXECUTIVE SUMMARY

This Resettlement Policy Framework (RPF) is prepared as part of the Environmental and Social Management Framework (ESMF) for Support for the Rural Economic and Enterprise Development (REED) Project of the Ministry of Agriculture and Livestock Development (MoALD), which is being considered for World Bank financing. REED will support productive partnerships among farmers entrepreneurs and their buyers. The partnerships will be assisted in the preparation of their business plans and will be provided grants to fund their own business subprojects. REED will provide funding for value chain related infrastructures and semi-public infrastructures and facilities at local level. There will be no private land acquisition as all the value chain related, and semi-public infrastructure and facilities will be constructed on the government land. However, there are possibilities of displacement and resettlement of people who may be residing on government-owned land or temporary/permanent restrictions in accessing to private land or common resources. So, construction activities may result in physical and economic displacement of people and loss of assets or access to assets, other structures, crops, trees, businesses and common resources related livelihood. This RPF sets out the policies, processes and procedures for dealing with these impacts.

Existing country's system for eminent domain land acquisition. The Land Acquisition Act of 1977 is the main eminent domain law of Nepal. It enables the Government to acquire land for public purposes and provides for fair and just compensation to private landowners. Under the Land Acquisition Act, compensation to landholders must be paid in cash at current market value, although there is provision for in-kind compensation in some circumstances. This process has most of the elements of World Bank Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement, including provisions for the compensation of loss of assets and grievance redress. The main gap of the Nepal eminent domain process vis-à-vis World Bank ESS5 is that it does not mandate the preparation of a land acquisition and compensation plan specific to the affected area such as the RAP. Another critical gap is the lack of provision for resettlement as a preferred mode of compensation whenever the affected family or persons lose their homes or lose a significant portion of their source of livelihoods.

Resettlement and rehabilitation policies for the REED Project. The project will not fund any land acquisition activities for the envisaged activities but will support upgrading and building demand-driven market centers, value chain related infrastructures and semi-public infrastructures at local level, which could include regional market centers, collection centers, storage centers, cold-chain centers, packaging and processing centers, value addition facilities, among others. All infrastructure related activities will be constructed in the government land. Though there will be

no private land acquisition, appropriate mitigation measures, including the preparation of the RAP, if required will be completed before the bidding process to deal with the possibilities of any displacement and resettlement of people from government-owned land or restrictions in accessing private property or common resources.

Eligible Subprojects. MoALD will screen out potentially problematic subprojects that would: (i) potentially cause the displacement of significant numbers of people; (ii) build a public or communal facility on a private property without sufficient tenure security during the economic life of the facility; (iii) use lands that are subject to any kind of disputes/conflicts; (iv) use lands within protected forests or national parks, except when the subproject itself is deemed part of the park management strategy and approved by the park management; (v) use donated lands without sufficient proof that the act of donation was voluntary.

Instruments. The RPF has categorized subprojects into three possible cases that require a RAP or LRP. This RAF does not cover the cases where subprojects do not result in economic or physical displacement.

Entitlements. The RPF has identified different scenarios of impacts to project-affected persons proposed possible compensation options for each of these scenarios which would guide the project during the subproject land acquisition and resettlement planning process.

Land acquisition planning and implementation. The land acquisition and resettlement planning process will have the following steps: (1) ES Screening; (2) Social Assessment of the Affected household; (3) Preparation of resettlement and/ or livelihood principle documents; (4) Consultation/Consultations on the compensations with prospective PAPs ; and, (5) Development of the RAP/LRP and disclosure. No construction works shall be allowed until the required lands have been formally acquired and the PAPs have been paid.

Monitoring and Reporting. Individual subprojects will prepare monthly report on the progress of implementation of RAP. These reports will be consolidated by the Economic Corridor Office (ECO) and included in its periodic reports to the Office of Project Director (OPD). Templates of these reports have been provided in the RPF. The OPD Safeguards unit will consolidate the reports and incorporate them in the project's progress report to be made available to the World Bank's during its bi-annual Implementation Support Missions. The OPD will conduct occasional site visits on selected subprojects to help resolve issues or validate reports on the progress.

Grievance Redress Mechanism. The project Grievance Redress Mechanism (GRM) described in the ESMF will also serve the purpose of receiving and resolving grievances regarding the implementation of the RAPs/LRPs. The social safeguard specialist in each ECO will receive, record, conduct evaluation, and forward legitimate grievances for resolution to the appropriate committee. The social safeguard specialist will be trained on dealing with GRM related to land

acquisition, resettlement and rehabilitation, and livelihood restoration. The project will ensure the handling of the grievances and functioning of the GRM as envisaged by the EMSF. The grievances that cannot be solved at the sub-project level will be elevated to the ECO levels and so on up to OPD level.

Institutional Arrangements and Budget. This RPF will be implemented as part of the ESMF. The planning and implementation of RPF shall be the responsibility of the subproject proponent/implementing unit subject to the assistance and quality supervision of the concerned ECOs, which will nominate a social safeguards specialist and the specialist will be made responsible for implementation of RPF. The social safeguards specialist and some selected project staff shall undergo RPF familiarization workshops at start of the project and participate in periodic coordination meetings. The cost of implementing this RPF, including capacity building have been incorporated in ESMF. The cost of compensation payments shall be part of the subproject's cost estimates.

ACRONYMS

CDO	Chief District Officer
CFC	Compensation Fixing Committee
ECO	Economic Corridor Office
ESMF	Environmental and Social Management Framework
ESS	Environmental and Social Standard
FANSEP	Food and Nutrition Security Enhancement Project
FPIC	Free and Prior Informed Consent
GoN	Government of Nepal
GRM	Grievance Redress Mechanism
IDP	Internally Displaced Person
IP	Indigenous People
IPP	Indigenous People Plan
IPPF	Indigenous People Policy Framework
LAD	Land Acquisition Documents
LRP	Livelihood Restoration Plan
MoALD	Ministry of Agriculture and Livestock Development
MoFALD	Ministry of Federal Administration and Local Development
PAP	Project Affected Person/People
PDO	Project Director's Office
PWD	Person with Disability
RAP	Resettlement Action Plan
REEDP	Rural Economic and Enterprise Development Project
RoW	Right of Way
RPF	Resettlement Policy Framework
SPAF	Severely Project-Affected Families
TA	Technical Assistance
PP	Productive Partnership

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1. BACKGROUND

This Resettlement Policy Framework (RPF) sets out the policies, processes and procedures for dealing with the involuntary resettlement impacts of the ground activities of the Nepal Rural Economic and Enterprise Development (REED) Project. The project is being considered for World Bank funding and is required to comply with the World Bank Standards under the new (2018) World Bank Environmental and Social Framework (ESF). The project will involve, among others: (i) developing and nurturing "productive partnerships" (PPs) among smallholder producers (rural entrepreneurs) and players (buyers, processors, distributors, etc.) in the agricultural commodities value chains; (ii) provision of upgrading and building semi-public and value chain related infrastructures and facilities at local level not only to support these partnerships but also to benefit the surrounding communities; and, (iii) market and export support infrastructure. The project will be implemented in at least four (4) economic corridors in six provinces, typically along strategic road corridors linking the provinces. The selection and development of specific types and locations of infrastructure and construction activities will be undertaken during the implementation of the project.

This RPF is part of the Environmental and Social Management Framework (ESMF) which is based on a rapid assessment of the current environmental and social conditions in the country. Though the infrastructure related activities will be undertaken on the government land or the land owned by partnering municipalities, the ESMF has pointed out the possibility of displacement and resettlement of those people, who might be residing on the government land. Similarly, the ESMF has also highlighted that the construction activities may also result in restrictions in accessing some privately-owned land or common resources which may have negative impact in livelihood of the families depending on the land and the natural resources. So, the Resettlement Policy Framework (RPF) will provide common guidance to project management, staff and beneficiaries in dealing with such circumstances and to address the needs of the people who are adversely impacted either by physical or economic displacements or restriction in accessing to their land or common resources. The project will apply social safeguard measures as per the World Bank's ESF, if such situation arises. Thus, this RPF outlines the resettlement principles, procedures, organizational arrangements, and design criteria for identification of project-affected persons (PAPs) and will guide the preparation of RAPs/LRPs to address possible risks of displacement (both economic and physical), resettlement of people and restriction in accessing land and common resources. Moreover, this policy framework is prepared consistent with the policy and legal framework of GoN and the World Bank Environmental and Social Standard (ESS) 5 on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement.

2. PROJECT DESCRIPTION

2.1 Project components

The project will have the following four core components:

Component 1 (Strengthening Market Linkages through Productive Partnerships) - Budgeted at US\$ 40 million, this component aims to promote the development of sustainable business partnerships between Producer Organizations (POs), represented by small farmers and rural producers organized in groups, organizations, cooperatives or other forms of association, such as cottage industries and buyers. The component will support a comprehensive communication campaign, including women-focused campaign, brokering support for prospective buyer and POs to develop joint profiles, technical assistance to jointly develop business plans, start-up grants to POs, and support to formalize POs into legal entities.

Component 2 (Strengthening the entrepreneurship ecosystem in the federal structure) - With a proposed budget of US\$ 8 million, the component aims to support the POs by strengthening ecosystems of both public and private sectors to ensure their sustainability. In order to achieve the goal, the component will focus on building capacity in the federal structure to strengthen agri-business competitiveness, entrepreneurship development and build capacity of expert intermediary institutions that, in turn, will strengthen SMEs and agri-start up entities. The project will undertake a comprehensive capacity needs assessment to identify the capacity gap and design appropriate measures to bridge the gap. The interventions would include: (Subcomponent 2a) Capacity building of provincial and local government and related agencies to maintain service delivery and address capacity constraints at the provincial and local government levels, especially in terms of implementation capacity to ensure proper utilization of available resources; and (Subcomponent 2b) Capacity building of Intermediary Institutions and SMEs to strengthen the capacity and coordination mechanism of the concerned public agencies at provincial and local level in the agriculture sector in the Project area.

Component 3 will support to restoring and strengthening COVID-disrupted food supply chain and local economy. With the proposed budget of US\$ 22 million the project as part of COVID-19 response will support investments in restoring the regional food and inputs supply disrupted due to the limited movement, lockdown and the restriction of border trade and their long-term safe storage at municipal level to ensure food and inputs security. As the recovery actions, the project will support transfer of technologies and knowledge to farmers and agriculture related public and semi-public infrastructure and facilities. The project will also support to build public and semi-public agri-infrastructures and facilities by using labor-intensive Cash for Work (CfW) to create jobs in the rural area and contribute to enhancing rural income. The project will also support

upgrading and building demand-driven market centers, value chain related infrastructures and semi-public infrastructures at local level, which could include regional market centers, collection centers, storage centers, cold-chain centers, packaging and processing centers, value addition facilities, among others. The value chain related infrastructures will be managed and operated by private sector/cooperatives to generate fees and businesses to ensure sustainability. The project will support upgrading or building municipal agriculture centers to ensure safe storage at municipal level to ensure food and agriculture inputs security. These centers will also provide agriculture related training to returnee migrant workers to reengage them in agriculture sector on demand basis. This will also support post-COVID-19 rural economic recovery as restoring of supply and storage through municipal centers. All of the infrastructure and facilities will be constructed/upgraded by the project in the land owned either by the government or participating municipalities in COVID-19-compliant physical venues. The project will reinforce climate and environment considerations during the construction of the infrastructure in line with the ESMF to ensure that local knowledge and users' needs, and concerns are adequately addressed. In addition, the project will actively promote the use of renewable energy for the proposed infrastructures.

Component 4: Project Management with a proposed budget of US\$ 7.5 million will provide for the project management. This will cover the activities of the Federal-level Office of the Project Director (OPD) in Kathmandu within MoALD and Economic Corridor Offices (ECOs) that will be established in four selected locations (Province 1, 2, 5 and Sudurpaschim) including the Technical Assistance (TA) firms to support the OPD at the higher-level of project management, including setting up operational procedures and manuals, and developing and implementing communication strategy.

2.2 Project Activities that may Cause Displacement and Resettlement Impacts

Support to restoring and strengthening COVID-disrupted food supply chain and local economy: Component 3 will support to restoring and strengthening COVID-disrupted food supply chain and local economy. As per the recovery actions, the project will support transfer of technologies and knowledge to farmers and agriculture related public and semi-public infrastructure and facilities. The project will support to build public and semi-public agri-infrastructures and facilities by using labor-intensive Cash for Work (CfW) to create jobs in the rural area and contribute to enhancing rural income. The project will also support upgrading and building demand-driven market centers, value chain related infrastructures and semi-public infrastructures at local level, which could include regional market centers, collection centers, storage centers, cold-chain centers, packaging and processing centers, and value addition facilities, among others. The value chain related infrastructures will be managed and operated by private sector/cooperatives to generate fees and businesses to ensure sustainability. The project will support upgrading or building municipal

agriculture centers to ensure safe storage at municipal level to ensure food and agriculture inputs security. All of the infrastructure and facilities will be constructed/upgraded by the project in the land owned either by the government or participating municipalities in COVID-19-compliant physical venues. So, there will be no acquisition of private land. However, the RPF has been prepared to mitigate the possible risks of displacement and resettlement of the people who might be residing on the government land that will be used for value chain related infrastructures and semi-public infrastructures at the local level. In addition, the RPF will be also be used to assessing and mitigating the risks of possible restriction of the local people to their land and common resources as such restrictions might have severe impact on the livelihood of affected families.

2.3 Project Location

The project is expected to cover six (6) provinces, with a phased approach, using a provincial or district focus, depending on the agreed criteria with the GoN. The project will prioritize project locations based on North-South and East-West road corridors, which connect provinces, and where main roads have created opportunities to link rural agriculture catchment with markets.

The criteria could include economic potential of the project areas, including SME intensity, scalable value chains identified by Country Private Sector Diagnostic for Nepal and other studies, intensity of financial access as well as density of youth population. The following highways/main roads have been identified as such economic corridors (Figure 1):

- a. Mid-hill highway (Province 1 and 3)
- b. East-West Highway¹ and Postal Highway (Province 2)
- c. Mid-hill Highway (Gandaki)
- d. Bhalubang-Rolpa Highway (Province 5)
- e. Dhangadhi-Darchula Highway (Sudurpashchim)

2.4 Project Organization

The project will be implemented through the Ministry of Agriculture and Livestock Development (MoALD) and the ministry will establish the Project Steering Committee (PSC) and the Office of Project Director (OPD) at the federal level. Similarly, the MoALD will form Economic Corridor Technical Coordination Committees (ECTCCs) at the provinces; and four Economic Corridor Offices (ECOs) at the identified five economic corridors. Chaired by the Secretary for the MoALD with representatives from other agencies, the PSC will provide the overall strategic oversight and coordinating body, providing overall guidance during the project implementation. The OPD, headed by the Project Director, will be responsible for the daily management and operations of the project. The OPD will be supported by a Technical Assistance (TA) firm which will provide

¹ East-West Highway in Province 2 will overlap with Kamala-Dhalkebar-Pathlaiya (KDP) Road under Strategic Road Connectivity and Trade Improvement Project (SRCTIP)

technical services to, among others, develop and set up operational procedures and criteria, develop a communication campaign strategy, and, training. Based at the provincial Agricultural Ministries, the ECTCCs will be responsible for the overall coordinating and oversight body of the project at the economic corridors and provinces. The four ECOs which will be under MoALD will be responsible for implementing the project activities at the economic corridor levels. Each ECO will also be supported by a TA firm which will support the formation of productive partnerships and alliances between entrepreneurs and value chain players, help build capacities at the provincial ministries, and provide technical support to the rural municipalities to develop plans for implementing value chain related infrastructures and semi-public infrastructures.

3. SOCIAL ASSESSMENT

3.1 Socioeconomic Profile of Rural Nepal

Demography. Nepal is basically a rural country with about 80% or about 22 million of the population still resident in the rural areas. According to the Annual Household Survey conducted by the Government of Nepal, the average household size in rural areas is 4.8 which is slightly higher than the national average of 4.6. The population is young with about 46% of the population still below 20 years old. According to the last census carried out in 2011, about 60% of the population is within the working age bracket of 15 to 64 years old.

Socioeconomic Conditions. The census of 2011 indicated that the literacy rate among the population of 6 years or above in Nepal is 65.9% with a male literacy rate of 71.6% and a female literacy rate of 44.5%. The overall rural area literacy rate is 62.49% while in the urban areas it is 84.22%. Although progress has been achieved during the last decade, poverty incidence is still high at 25% with a rural poverty rate of 27.4% almost twice the urban poverty rate of 15.5%. Within the rural population, poverty rates are highest among landless and near-landless agricultural wage laborers (58%); smallholder households (50%); the formerly untouchable castes (48%); indigenous nationalities (20–61%); and Muslim groups (43%). Malnutrition is also a significant concern with about a million children (36%) suffering from chronic malnutrition (i.e. showing signs of stunting or low height-for-age) and 10% suffering from acute malnutrition (i.e. exhibiting signs of wasting or low weight for height).

Ethnic Minorities and Hindu Caste System. Nepal ethnically diverse and this is complicated by the highly stratified and hierarchical social structure of the Hindu caste system. The caste system dictates social and economic status and opportunity to a large extent. Two groups have been particularly disadvantaged in this regard: the socially excluded and marginalized Dalits, and the indigenous groups now collectively referred to as Adivasi Janajati. These groups account for a significant portion of the country's population. Based on the 2011 census, the indigenous nationalities (Adivasi Janajati) of Nepal comprise 36% of the population while the Dalits (and other groups which have been systemically excluded) may comprise around 20%.

The Caste Based Discrimination and Untouchability (Offence and Punishment) Act (2011) criminalizes caste-based discrimination, prescribing that ‘every person has the right against untouchability and discrimination.’² More importantly the Act specifies prohibited acts and actions and provides for punishments for violations. The Constitution of Nepal (2015) provides for the right to equality for all citizen and makes specific mention of Dalits. Specifically, Article 18 (Right to Equality) asserts that all citizen shall be equal before the law and that no discrimination shall be

² Caste-based Discrimination and Untouchability Act, 2011, Section 3(1)

made in the application of general laws on grounds of caste, or on grounds of other specific social, demographic and cultural groupings and categorizations. The Local Government Operations Act 2017 aims to institutionalize the process of development through wider participation, including that of the Dalit communities. It requires local bodies to undertake activities for the benefit of women, less developed communities and groups. However, the social structure remains deeply ingrained in the Nepalese culture and the people who belong to the lower caste continue to be disadvantaged in education and employment.

Infrastructure. In terms of road, about 40% of Nepal's rural population live more than two hours from a paved road, while 20% percent of rural residents live more than two hours from a vehicle road that is not paved. Access to electricity of the rural population is about 95%, which is a significant improvement from only 17% as of 2001. About half (1.4 million hectares) of agricultural land in Nepal has irrigation facilities.

3.2 Land Classification

According to the Land (Survey and Measurement) Act, 2019 (1963), land tenure in Nepal has been categorized as 1. Private Land 2. Government Land 3. Public Land 4. Community Land and 5. Guthi Land. Private lands represent about 28% of lands in Nepal. Nepal recognizes two private land tenure types: ownership and leasehold. Landowners have rights to exclusivity and use of their land and can freely transfer their land and pass the land by inheritance. The Land Reform Act 1964 as amended by the Land Ordinance Act (2005) imposes ceilings on land ownership, subject to various factors such as geo-ecological variations, soil types, average precipitation, other climatic conditions as well as land use types such as irrigated land, rain fed land, grazing land and average family size. These ceilings are currently at 3.75 hectares in the hills, 1.5 hectares in Kathmandu Valley and 7.43 hectares in Terai and Inner Terai.

State lands include public land (defined to include wells, ponds, pathways, grazing land, cemeteries, market areas, etc.) and government land (defined to include roads, government offices, and land under government control, such as forests, lakes, rivers, canals, and barren land, etc.) It is estimated that about 72 percent of land in Nepal is state land.

Guthi land is land held by religious bodies for religious or philanthropic purposes and is not subject to taxation. *Guthi* land includes temples, monasteries, schools, hospitals, and farmland managed by religious institutions and individuals. About 0.03 percent of land in Nepal falls into this category.

3.3 Landholdings and Tenorial System in Nepal

Nepal has an estimated 2.7 million hectares of agricultural land or about 18.3% of the total land area, while about 44.7 percent land of Nepal is classified as forestland, and nationally protected areas make up 17.32 percent of the total land.

Land distribution. There is a significant imbalance in land distribution in Nepal. The top 7% of the households for example occupy 31% of the agricultural land while the bottom 20% own only about 3%. About forty-six percent (45.7%) of agricultural households own between half a hectare and three hectares of land and occupy 69.3 percent of total cultivable land. About fifty-three percent (52.7%) of those households own half a hectare or less and occupy 18.5 percent of cultivable area. The average size of agricultural landholding is 0.7 hectares in rural areas and 0.5 percent in urban areas. It is estimated that about five percent households do not own any land but work other people's land on a contractual basis.

Eighty-four percent of farms in Nepal are owner operated. About 10 percent of land is held under some form of registered tenancy. However, the actual incidence of tenancy is probably higher due to the presence of informal unregistered tenants. It is estimated that 31% of the farmers are tenants (i.e. leasing lands). Most tenants are not entirely landless but are just taking in additional land to till. The purely landless farmers are estimated to occupy only about 2 percent of total farm holdings in the country. Sharecropping is the most common form of tenancy. The most common form of sharecropping arrangements is the short-term rental known as *adhiya*. Under *adhiya*, the tenant provides the labor and landowners supply some percentage of inputs. In principle, the tenant and landowner receive equal shares of the production, but the tenant rarely receives a half-share, either because he or she is in debt to the landowner or the landowner has supplied all the inputs. A second tenancy system, *thekka*, requires the tenant to pay a fixed share of production to the landowner. Highly exploitative systems that survived land reforms (such as those in which the tenant takes one-third or a one-tenth share and continuation of bonded labor, despite the law rendering them illegal) are still known to exist.

3.4 Occupational Health and Safety. The consensus in the literature is that the overall status of occupational safety and health in Nepal is not satisfactory. Most of the workplaces, especially the ones requiring more physical work and labor, do not possess proper safety and preventive measures and the workers do not have proper understanding of exposure to hazards and measures to minimize them. In a survey conducted among construction workers in Nepal it was revealed that: (i) awareness of OHS standards is very low or non-existent; (ii) the workers generally disagree with the workplace ergonomics; and (iii) are not satisfied with their managers concern for their safety (Koirala, 2017). In general, enforcement of OHS standards in infrastructure development projects is lax, even for donor-funded projects with only very few exceptions. A recent survey by the World Bank of five projects reveals that issues such as poor housekeeping, lack of signages, and non-wearing of personal protective equipment (PPE) are very common occurrences at construction sites, and some project contractors on site are not even aware of the OHS clauses in their contracts (SARSS, 2018). In donor-funded projects, OHS has been part of the ESMP compliance monitoring but compliance remain low as contractors tend to ignore

constant citation of violation primary because of lack of sanctions from PMUs. Meanwhile the Ministry of Health and Population does not cover nor is mandated on occupational health and safety issues. No health programs in Nepal address the prevention and control of occupational related diseases and conditions. Though the Labor Act states that occupational diseases are required to be reported, it has not defined the list of the occupational diseases and the process for providing welfare and compensation to the workers suffering from occupational diseases.

3.5 Community Health and Safety.

Nepal's topographical and sociological diversity results in periodic epidemics of infectious diseases, epizootics and natural hazards such as floods, forest fires, landslides, and earthquakes. A large section of the population, particularly those living in rural poverty, are at risk of infection and mortality by communicable diseases, malnutrition and other health-related events. EIAs in Nepal have traditionally included basic information about the baseline health profile of the population in the project influence area. However very few or none have assessed specific health issues that may be impacted or exacerbated by the project interventions. Community health management measures such as awareness campaigns on HIV/AIDS, STI/STD and other communicable diseases often get inserted into the ESMP without the benefit of justification from impact assessment or analysis. Also, while community-based health programs of the Ministry of Health and Population, tackling issues of community health are present and showing positive results, infrastructure projects rarely link with and/or tap into these community-based programs.

3.6 Internally Displaced Population

More than 70,000 people were displaced during the 10-year civil conflict (1996–2006). Thousands of internally displaced persons (IDPs) returned to their homes following the signing of the peace accord in 2008. However, most of the returnees are still having difficulties in restoring their livelihood. The internally displaced children and women are particularly vulnerable to trafficking, sexual exploitation, and child labor (IDMC 2010). About twenty-six thousand people have been displaced as a result of the 2015 earthquake. Because of lack of formal land documentation many have been excluded from reconstruction and rebuilding efforts. This forces people to continue living in the risky areas or move to public lands as informal dwellers, where they are always at risk of eviction. Moreover, increasing number of natural disasters induced IDPs mainly due to climate change has lately become another layer of challenge and has displaced many people from their native places. Lately, COVID-19 crisis which has disturbed supplies of essential goods to rural areas and squeezed employment opportunities can also trigger a new round of IDPs.

4. LEGAL FRAMEWORK FOR LAND ACQUISITION

Key laws and codicils are summarized below:

Constitution of Nepal of 2015. The Constitution of Nepal allows the state to acquire land where such acquisition is in the public interest. The government must compensate landholders for any land-taking, including any acquisition in the course of land-reform initiatives set by the law (Art 25 of the Constitution). Article 25 (3) of the Constitution states that the basis of compensation and relevant procedures shall be prescribed by law.

The Land Acquisition Act (LAA) of 1977 [as amended by the Administration of Justice Act (1977), the Act Amending Some Nepal Acts (1992), the Act Amending Some Nepal Acts (1998); and in Republic Strengthening and Amending Some Nepal Acts (2010)]. LAA enables the Government to acquire land for public purposes and provides for fair and just compensation to private landowners. Section 3 of the Act states that “Government of Nepal may, if it deems necessary, acquire any land at any place for any public purpose, subject to compensation.” According to the Act, public purpose means undertaken in the interest of or for the benefit or use of the general public, or functions to be undertaken by Government of Nepal which include state/provincial government or the works related to the project approved by Government of Nepal and project undertaken by local bodies in different levels. Section 4 of the Act also allows acquisition of lands by government for institutions. "Institutions" being companies, boards, or corporations established or formed pursuant to law. Specifically, the Act stipulates that government may decide to have land acquired for institutions subject to payment of compensation and all other expenses to the government, for purposes of staff housing, land related to a project of the institution and lands for agricultural research.

The LAA provides that compensation for land and related assets shall be paid in cash. There is a provision for a replacement land for those whose lands are acquired in whole, when there is available land, but this is to be determined by the government (See LAA, Section 14). As per the regulatory provisions the determination of the amount of compensation shall be done by the Compensation Fixation/Determination Committee (CFC/CDC) composed of: (i) the Chief District Officer; (ii) Land Administrator or Chief of the Land Revenue Office; (iii) The Project-in-chief, if the land has been acquired for a project; and (iv) A representative of the District Development Committee (DDC).

In determining the amount of compensation, the CFC takes into considerations any "(a) guidelines issued by Government of Nepal from time to time in respect to the fixation of compensation and, (b) the losses suffered by the concerned person as a result of his having been required to relocate

a residence or the place of his/her business by reason of acquisition of the land. The actual compensation amount is based on the following:

- (a) The price of the land at the time of the publication of a notice of land acquisition;
- (b) The value of the crops, houses, walls, sheds, etc. if any, will be lost due to the taking of land;
- (c) The losses which the concerned person will suffer as a result of shifting his/her residence, or the place of his/her business, by reason of the acquisition of his/her land; and,
- (d) In case the land to be acquired happens to be part of the land taken excess of the ceiling on landholding prescribed in the Lands Act of 1964, the amount of compensation shall not exceed the amount payable under the Lands Act 1964.

The LAA sets time limits in terms of compensation to be received. The Act states that in cases where the concerned person fails to receive compensation within the time limit prescribed, or refuses to accept it, the local officer shall issue the last three-month notice for receiving such compensation. Where the concerned person fails to receive compensation even within a given time-limit, he/she shall not be entitled to any compensation and the amount allocated for compensation shall be deposited to consolidated fund of the government.³

Further, as per the LAA the impacted person is permitted to lift the crop, tree or building or wall constructed on the acquired land. In cases where the concerned person fails to do so within the time limit prescribed by the act, the local officer may impound the same, and no claim by such person to such crops, trees, house, or wall shall be entertained.

The LAA provides for the issuance of at least three notices for intent to acquire land and property: (i) Notice of Preliminary Action; (ii) Notice of Land Acquisition; and (iii) Notice of Compensation Entitlements. In each of these notices, the LAA provides a window for the PAPs to make an appeal and lodge complaints.

The LAA also provides that Government of Nepal may acquire any land for any purpose through negotiations with the concerned landowner. It shall not be necessary to comply with the procedure laid down in this Act while acquiring lands through negotiations.

The Land Act, 1964. The Land Act, 1964 aimed to divert passive land-based labor and capital to boost economic development in the country, initiate an equitable distribution of cultivable land among all sections of the society, empower the actual tillers who completely depend upon land for their livelihood, and increase agricultural productivity. This Act abolished the established *zamindari* system on land ownership and introduced ceilings on land ownership. The ceilings

³ As per the provision stated in the section 36 of the Land Acquisition Act

vary depending on geographical location of the land. Accordingly, the maximum ceiling for an agriculture holding was fixed at 6.6 hectares, while the largest homestead was allowed to cover 0.66 hectares. All the land in excess of these ceilings was transferred to the government upon payment of compensation. The land acquired may be sold or re-allotted. Exemptions on these ceilings was granted to the land owned by the government, industries, educational and medical institutions and under specific conditions for agriculture purposes. Similarly, the land ceiling was also waived for the land under the jurisdiction of the *Guthi* corporation and land held by cooperative agriculture societies. The Fourth Amendment to the Act in 1966 abolished tenancy in land. The amendment allowed tenants to either retain land ownership on 50 percent of the land that they were farming or to accept a cash payment based on the current value of the land.

National Land Acquisition, Resettlement and Rehabilitation Policy (2015). In March 2015, the National Planning Commission of Nepal approved and introduced Land Acquisition, Resettlement and Rehabilitation Policy. The policy allows land acquisition without jeopardizing the livelihood of people who have to be relocated from the infrastructure construction or the infrastructure project site. The policy emphasizes the need to conduct an economic and social impact assessment (SIA) of the development project, which was not a requirement under the LAA 1977 and the preparation of Resettlement Action Plan. However, although there have been efforts to initiate amendment to the LAA to aligned it with the policy, it has never materialized, and the policy remains non-binding.

5. GAPS OF NEPAL'S LAND ACQUISITION SYSTEM VS THE WB'S ESS5

The main difference of the Nepal land acquisition system vis-à-vis World Bank ESS5 is that Nepal's system focuses on acquisition of land from formal property owners and not on impacts of the land acquisition. The legislation itself provides mainly for the eminent domain land acquisition process. The legislation does not address the socioeconomic impact associated with land taking beyond compensation. As such, it does not mandate the preparation of a Resettlement Action Plan (RAP) or similar instrument. Without the participative planning process afforded by RAP preparation, the current government process does not allow for the consideration of options and other arrangements which may be reached during consultations and negotiations with project affected people. Another critical gap is the lack of provision for planned resettlement as a preferred mode of compensation whenever the affected family or persons lose their homes or lose a significant portion of their source of livelihoods or would be uprooted from their traditional homeland (in the case of large infrastructure projects). The key gaps in the system is presented in Table 1 below:

Table 1. Key Gaps in the Nepal Land Acquisition system vis-a-vis the WB's ESS 5

Key Element of ESS5	WB ESS5	Nepal System
Planning	Social assessment Preparation of Resettlement Action Plan through participatory process and/or consultation	No formal planning only fixed/standard procedure No provision for consultation
Mode of acquisition	Negotiated purchase Donation Expropriation	Negotiated purchase Donation Expropriation
Impacts considered	Loss of assets Disturbance costs and associated expenses Loss of access to resources Broader social and economic consequences (physical and economic displacements)	Loss of assets Disturbance and associated expenses
Compensation	Options developed with PAPs through consultations: Cash or in-kind such as: Replacement lands Replacement homes Rehabilitation program Community/Livelihood development program Other form of assistance	Cash Replacement Land if available at the discretion of the government
Delays in accessing compensation	Requires that on an exceptional basis, with prior agreement of the Bank, the Borrower may deposit compensation funds as required by the plan (plus a reasonable additional amount for contingencies) into an interest-bearing escrow or other deposit account and	Time limit to take up compensation as per LAA

	proceed with the relevant project activities. Compensation placed in escrow will be made available to eligible persons in a timely manner as issues are resolved	
Vulnerable PAPs	Differentiated treatment of vulnerable groups; provision of assistance depending on needs	No special provision for vulnerable PAPs
Eligible for Compensation	All legal claimants and informal occupants on structures and land	Legal claimants only including registered agricultural tenants
Grievance Redress Mechanism	Required without restriction as to the nature of complaint and time period	Allowed but restricted to a few key decisions only and limited within a fixed period
Monitoring and Evaluation	M&E system is required as part of the RAP; Status of the PAPs monitored and evaluated	None

This RPF makes provision for the gaps to be addressed.

6. LAND ACQUISITION AND RESETTLEMENT POLICY OF THE REED PROJECT

The project's policy on land acquisition and resettlement is based on the country system described above, filling in the critical gaps with respect to the World Bank's Environmental and Social Standard 5 (ESS5), particularly: (i) the provision for avoidance or minimization of involuntary resettlement impacts; (ii) the preparation of Resettlement Action Plan (RAP) which would allow for the consultation of PAPs and consideration of compensation and resettlement options; and, (iii) the additional supports to displaced people and vulnerable groups. The following will apply to each REED subproject that are deemed to have involuntary resettlement impacts as per the ES Screening as applied during project identification:

6.1 Land Acquisition and Resettlement Policy Principles

1. Preferred mode of acquisition of land. In selecting subproject locations and designs, the project shall first strive to avoid and minimize involuntary resettlement impacts. Voluntary donation shall be accepted but shall be strictly voluntary and subject to review as to suitability. Before accepting voluntary donation of the land, the project will make sure that

- (i) Deed of Donation indicating donation was made freely and without any pressure from anybody; as well as
- (ii) minutes of a prior consultations that proves that the PAPs were informed of their rights to demand full compensation and the concerned PAPs fully understood the legal provisions and rights.

2. The affected person's legal status on the land shall not preclude him from receiving compensation/assistance for other lost assets and restriction of access to resources resulting from the taking of land. Project-affected persons irrespective of their legal status as per the ESS 5 (10) will be entitled to compensation and assisted in regaining their standard of living at least to pre-project level. The PAPs who do not have recognizable legal claim to the land will receive compensation for lost assets other than land (such as crops, structures, irrigation canals, and other improvements made to the land) at replacement cost and the compensation will be available prior to the taking over of assets. Tenants and leaseholders will be compensated for the remaining unserved period of the rent/lease and for the disturbance caused by the untimely termination of contracts. For leased land plots, compensation will be paid to renters for their actual losses and assistance will be provided to allow access to some other land to continue agricultural activities. Owners of crops and trees will be compensated for crop or tree losses as per this RPF.

3. Differentiated approach and compensation/benefits to indigenous people and other vulnerable project affected persons/families. The Environmental and Social Assessments (in whatever form would be required: ESIA, IEE or Concise Assessment) would provide initial inputs about the prevalence of vulnerable populations including any affected indigenous peoples in the

subproject area. This will be used to initially identify approaches and measures in regard to vulnerable people and indigenous peoples in the draft RAP. Actual vulnerable groups and individuals will be identified during the screening process, which will happen during the RAP preparation. Where required under ESS7, a process of free, prior and informed consent (FPIC) with indigenous groups will be undertaken. Other vulnerable people shall be consulted and given appropriate assistance based on their needs and socioeconomic conditions. The capacity building on the implementation of the RPF is incorporated in the capacity building plan of the ESMF

5. Information disclosure and participatory approach. All information related to displacement, resettlement and rehabilitation will be disclosed to all concerned, and people's participation will be incorporated in planning and implementing the subprojects as per ESS 5 (17 and 18).

6. Gender considerations. Women have important economic roles in the project area. They are usually engaged in a wide range of income-generating activities in the agricultural and other sectors and the RAP process must ensure that consultation takes informed consideration of their need into account (ESS 5: 18). The project will pay particular attention to ensure that women are the recipients of compensation that is relevant and at least proportional to their activities and ensure that women who are *de facto* household heads are clearly listed as beneficiaries of compensation and assistance. Beyond considering women-headed households as vulnerable, the means to accomplish this include:

- Including women as enumerators in the survey team or leaders in focused group discussions;
- While preparing profiles of affected people and households, disaggregating it by ethnic groups and by gender to understand how many women are likely to be affected, establish their pre-project conditions;
- Actively identify heads of households by gender;
- Include women in the team that carry out consultation processes and that determine compensation entitlements, include women in consultations and as survey respondents; if low proportion of women attends consultations, design alternative consultation methods such as focus group discussions or individual outreach to engage women;
- Where joint ownership title is held (e.g. by husband and wife), deliver compensation to both owners. Or, ensure the written agreement of one owner to transfer compensation to the other;

Considering the disproportionate impact that resettlement has on women and accounting for that in developing compensation packages; and, Ensuring that monitoring of resettlement is attentive to women's issues and whether additional measures are required to ensure the objectives of the program are met for affected women The capacity building on the implementation of the RPF is incorporated in the capacity building plan of the ESMF

6.2 Categories of subprojects

Each subproject shall undergo ES Screening as provided for in the ESMF and categorized based on the nature of land acquisition and involuntary resettlement impacts. The ES Screening will initially determine whether the subproject will cause involuntary land acquisition or restrictions on use of personal land or common resources which may impact the livelihood of the beneficiaries. The RAP/LRP may not require in cases where there will be no displacement and resettlement, and no restrictions to proximate land or common resources

The ES Screening will categorize the REED subproject based on the nature of land acquisition and the resettlement impacts:

Case 1: Subprojects that may cause temporary or permanent restrictions on use of privately-owned land or access to common resources, resulting in economic or physical displacement or impact on the livelihood of the affected person. These will trigger the provisions of ESS 5.

Case 2: Subprojects requiring restrictions on use but do not result in economic or physical displacement of people. These will trigger the provisions of ESS 5.

Case 3: Subprojects requiring non- eminent domain land acquisition (willing buyer willing seller or donation) but with potential economic and physical displacement of formal or informal occupants. These will trigger the provisions of ESS 5.

Case 4: Subprojects which may cause economic or physical displacement of the people or informal settlers or squatters residing on the government land. These will trigger the provisions of ESS 5.

Eligibility of Subprojects

MoALD anticipates that Resettlement Action Plans or Livelihood Restoration Plans would be scaled to fit the environmental and social risk profile of the specific subproject. Even Market Centers, given the budget available, would be small in scale. Irrigation canals must be aligned such that physical displacement is avoided as far as is possible. This eligibility criterion has been incorporated into the E&S Screening Form (See Annex 1 of ESMF). In addition, the project must endeavor to avoid complex land issues which may cause delays in the start of construction and prevent timely completion of subprojects. To minimize issues and ensure compliance with ESS5, all land acquisition for REED subproject shall be subject to the following restrictions:

- 1) No private land or property will be used in the subprojects, except in PP in which case the land where the PP facility will be constructed shall be communally owned by the beneficiaries of the facility. If not owned, it should be covered by a secure tenurial instrument which would allow the beneficiary association/organization to use the land throughout the economic life of the PP.
- 2) All other Subprojects shall use lands only that are owned, registered, or legally already acquired and in the possession of government, the Municipality or the Province.
- 3) No land subject to any kind of disputes/conflicts will be used for the subprojects.

- 4) No land under protected forests/national parks will be used, except if the subproject is allowed within the proposed site as part of the protected area/park management strategy, and the subproject is approved by the protected area management body.
- 5) No private land donated by the owners will be accepted and used without complying with the following proof of voluntary donation: (a) A deed of donation stating the voluntary nature of donation, signed by the donor in favor of the project; and, (b) Minutes of consultation meetings with the affected communities, indicating that the affected communities where the donor resides are informed of their right to just compensation of their properties.

Although full information may not be available during E&S Screening, these restrictions have been included in the E&S Screening Form so that the proponent of subprojects would be aware of the requirements. These requirements will be reviewed and validated for compliance during the preparation of the RAP, if required, before bidding process. The capacity building part on the implementation of these procedures is incorporated in the capacity building plan of the ESMF

6.3 Required Safeguard Instruments/Documents

As discussed above, RAP and LRP documents would be scaled to project risk. Some projects would need only an inventory of affected assets, their estimated values and the mode of compensation which is agreed by the PAP would suffice. [Annex 1](#) for this RPF provides an indicative Table of Contents of RAP/LRP while [Annex 5](#) provides the Inventory of Asset Form. Table 1 shows the type of instrument required for each case/category of subproject.

Table 2. Land Acquisition and Impact and Required Instruments/Documents

Case	Instrument/Documents Required
Case 1. Subprojects that may cause restrictions on use of privately-owned land or access to common resources, resulting in economic or physical displacement or impact on the livelihood of the affected person. These will trigger the provisions of ESS 5.	Resettlement Action Plan or Livelihood Restoration Plan (Annex 1) If land is donated: (i) Deed of donation; (ii) Minutes of Consultation indicating PAPs were informed of their rights to just compensation.
Case 2: Subprojects requiring restrictions on use but do not result in economic or physical displacement of people. These will trigger the provisions of ESS 5.	Resettlement Action Plan or Livelihood Restoration Plan (Annex 1) Inventory of affected assets (Annex 1) Minutes of Consultation If land is donated, (i) Deed of Donation and; (ii) the minutes of consultation should indicate that the PAPs were informed of their rights to just compensation
Case 3: Subprojects requiring non-eminant domain land acquisition (willing buyer willing seller or donation) but with potential economic and physical displacement of formal and informal occupants. These will trigger the provisions of ESS 5.	Resettlement Action Plan or Livelihood Restoration Plan (Annex 1) Inventory of affected assets (Annex 1) Minutes of Consultation If land is donated, (i) Deed of Donation and; (ii) the minutes of consultation should indicate that the PAPs were informed of their rights to just compensation
Case 4: Subprojects which may cause economically or physically displacement of the people or informal settlers or squatters residing on the government land. These will trigger the provisions of ESS 5.	Resettlement Action Plan or Livelihood Restoration Plan (Annex 1) Inventory of affected assets (Annex 1) Minutes of Consultation Proof of ownership of, or proof of adequate tenure on site/lot by the Subproject Proponent/Government.

6.4 Entitlement Policy

The general entitlements of PAPs by tenure/ownership status and type of asset affected are summarized in Table 2 below. This Entitlement Matrix is a generic presentation of entitlements in compliance with ESS5. The actual Entitlement Matrix developed in the individual subproject RAP or LRPs may contain different entitlement items, depending on the local conditions.

Table 3. Entitlement Matrix for Involuntary Resettlement Impacts of subprojects

	Type of Loss	Tenure Status of PAP	Entitlements
1	Temporary Loss of business/access to land or common resources	Business Owner/ affected person	For business, cash compensation for the loss of income during the duration Cash compensation to the persons affected by restrictions to land and common resources
2	Permanent loss of business/access to land or common resources	Business Owner/ affected person	Cash compensation of the loss during disruption; Resettlement allowance; Livelihood development assistance/program as part of the Subproject.
3	Permanent loss of structures and other	Formal/informal occupants	Compensation for the impacted structures, if owned by the formal/informal dweller, equal to

	Type of Loss	Tenure Status of PAP	Entitlements
	assets owned by formal/informal occupants, other than owned by the seller, due to non-eminent domain land acquisition (willing buyer willing seller or donation)		replacement cost without depreciation; Assistance in finding a place to relocate; Transport assistance; disruption allowance for place to stay for limited time.
4	Permanent loss of business/structures and standing crops owned by informal settlers or squatters residing on the government land business/access to land or common resources	Informal settlers or squatters	Compensation for the impacted structures equal to replacement cost without depreciation; Assistance in finding a place to relocate; Transport assistance; Livelihood development assistance/program as part of the Subproject; disruption allowance for place to stay for limited time.
5	Structures or Part of House	Owner of the affected structure	Replacement value without depreciation
6	Trees and Crops	Recognized owner of trees and crops	Replacement value.

6.5 Temporary Easements

Temporary easements are requirements for space (easements) during construction such as alternative routes or detours, access roads, spoil disposal areas, worker's camps and equipment and supply yards. These land requirements are expected to be negotiated by the Contractors with private owners on terms that are mutually agreed by two private parties. If, however, the project or partnering municipalities themselves secure these easements for the contractors, the compensation should be market rental for the land and compensation to structures, trees and crops as provided for in the Entitlement Matrix (Table 2 above).

6.6 Unanticipated Damages/Changes in required area

Unanticipated land needs such as additional area shall be subject to the Entitlement Matrix above and negotiations with owners. However, if the damages are caused by the contractor, these shall be settled by the contractor with their owners and claimants.

6.7 Cut-off date

The cut-off date shall be the date, the affected property has been surveyed/measured as part of the census as per ESS 5 (20). During the survey, an inventory of the affected items shall be undertaken. The owner/claimant shall be required to sign the inventory. This date may differ from one affected property to another depending on when the survey was completed. In practice the date of the publication of the Notice of Land Acquisition is regarded as the cut-off date.

6.8 Vulnerable PAPs

Based on the socioeconomic conditions of the country, the vulnerable and disadvantaged groups to be encountered in the project area may include: (i) Dalits; (ii) indigenous people (Adivasi Janajatis); (iii) single women headed households; (iv) elderly household heads; (v) household living below poverty threshold; (vi) households with disabilities; and (vii) landless farmers/laborers. PAPs belonging to these groups shall be identified and their conditions carefully considered in the consultation approach and in the type of assistance to be extended. The RAP/LRP shall develop project specific definitions and estimate of the presence of the vulnerable people and identify options for approaches and assistance. The types and nature of assistance shall be determined during consultations and/or individual negotiations with the concerned PAPs or their groups.

Table 4. Possible additional assistance to be provided to vulnerable PAPs.

Vulnerable PAP	Approach/Assistance that maybe extended
Dalits	<ul style="list-style-type: none"> • Consultation • Employment in the subproject; • Provision of livelihood project
IP/Adivasi Janajatis	<ul style="list-style-type: none"> • Free and prior informed consultation/consent when required as per ESS7; • Preparation and implementation of Indigenous Peoples Plan following the IPPF.
Household below poverty threshold	<ul style="list-style-type: none"> • Employment at the subproject construction
Elderly headed households	<ul style="list-style-type: none"> • Assistance in harvesting of affected crops/trees before construction • Assistance in demolition, transport of belongings and materials and in reconstruction of abodes.
Internally displaced (earthquake victims, displaced by natural disaster and COVID-19 crisis)	<ul style="list-style-type: none"> • Consultation • Employment in the subproject; • Assistance in demolition, transport of belongings and materials, and in reconstruction of abodes
households with disabilities	<ul style="list-style-type: none"> • Assistance in harvesting of affected crops/trees before construction • Assistance in demolition, transport of belongings and materials and in reconstruction of abodes.
Landless farmers/laborers	<ul style="list-style-type: none"> • Employment in the subproject

7. PLANNING: PREPARATION OF RESETTLEMENT ACTION PLANS

The Resettlement Planning Process for the REED project will have the following steps: (1) ES Screening; (2) Social Assessment of the Affected Community; (3) Drafting of the Resettlement Action Plan (RAP)/Livelihood Restoration Plan (LRP) Required Documents; (4) First Round of Consultation; (5) Revision of the RAP/LRP Documents; (6) Second Round of Consultation; (7) Finalization of the RAP/LRP Documents and Disclosure.

1. E&S Screening - An Environmental and Social Screening Form has been developed to guide the subproject proponent (PP, Municipalities, TA firms). Every proposed subproject will be subjected to social screening process before it is selected for inclusion in the project. The E&S Screening Form that has been provided in the [Annex 1](#) of the ESMF contains checklists on social aspects of the subproject. The screening will determine, among others, the eligibility of subprojects for funding under the project; the scope of the ESIA (which would cover both indigenous people and involuntary resettlement impacts), the need for RAP, LRP, IP Plan, etc. The screening form will be validated and finalized by the ECO Safeguards Specialists during subproject validation as part of the process of subproject evaluation. Social screening will be carried out in close consultation with various primary stakeholders - beneficiaries; affected people, women, vulnerable and indigenous people, Dalits and other local key informants.

2. Social Assessment of the Affected households. The social assessment here is the component of the main E&S instrument (i.e. ESIA, IEE or ESMP), the scope of which should include information sufficient to determine any land requirements and any acquisition and resettlement impacts.

NB: Note on the scope, level of details and methodology of the Social Assessment. As a component of the ESIA/EIA/IEE or ESMP instrument, the level of details and scope of the social assessment will depend upon the results of the Screening (See E&S Screening Form [Annex 1](#) of the ESMF). Moreover, as all subprojects of REED are likely to be small-scale, village level undertakings the assessment a rapid rural assessment would suffice for most Subprojects, but this would be subject to risk assessment as part of the ES Screening.

3. Census of PAPs. The proponent with the assistance from ECO shall conduct a Census (i.e. a 100% enumeration survey) of all the PAPs. The census will provide baseline socioeconomic data on the PAPs and their households. Specific information about the PAPs and their households will also be used in identifying vulnerabilities and determining the appropriate assistance to be extended and approaches to be employed. An indicative guide questionnaire has been developed and provided in [Annex 2](#) of this RPF.

4. Preparation of resettlement and/ or livelihood principle documents. The documents will contain policies specific to the site and based on the socioeconomic conditions of the affected

persons/communities. It shall anticipate the types of losses to be incurred by the PAPs. It shall contain feasible options for compensations based on the local conditions, including proposed assistance to vulnerable PAPs. The indicative contents of the RAP/LRP are provided in [Annex 1](#).

5. Consultation/Consultations on the compensations with prospective PAPs. The principles shall be presented to the prospective PAPs, particularly the options available to the PAPs. The consultations shall be documented, and the minutes shall be attached to the RAP/LRP document.

6. Development of the RAP/LRP. The RAP/LRP shall developed using new information and incorporating the results of the consultations.

7. Development and finalization of RAP and Disclosed. The RAP and other documents shall be finalized based on the results of the Consultation. The RAP and the other documents shall be disclosed or made available in the communities. Once finalized, the ECO shall submit copies of the final RAP/LRP (along with other safeguards documents) for review and approval of OPD. Subprojects will not be cleared for procurement if the RAP and land acquisition documents have not been finalized and approved by the OPD.

8. LAND ACQUISITION, COMPENSATION AND RESETTLEMENT PROCESS

After the RAP/LRP has been finalized it will be implemented pending final project approval.

8.1 Formal Process of Land Acquisition

The project aims to use the land either owned by government or partnering municipalities for project related activities. Where land/assets are acquired through willing buyer willing seller negotiations or voluntary donations the formal legal process of land transfer and registration will be followed.

8.2 RAP Implementation

The approved RAP/LRP will already include inventories of affected assets. During the implementation process, these inventories will have to be validated. The following are the key steps in the RAP implementation process.

1. Validating the Values/Amount of PAP Losses. All assets that will be affected, as identified by the RAP asset inventory, will be validated and verified in the presence of the concerned persons. The detailed survey asset information will be computerized to monitor the reestablishment/resettlement of PAPs.

2. Payments of Compensation and Actual Transfer of the Physically Displaced. Payments of compensation shall be undertaken prior to any alienation of assets.

3. Implementation of Livelihood Restoration and Development Assistance. Similarly, the implementation program to reestablish the livelihoods of those who are displaced will be developed in the RAP/LRP. This can be initiated after the RAP has been finalized, pending project approval.

4. Land Possession and Commencement of Construction Work. Construction works will not commence on any portion of land before compensation and assistance to the affected population have been provided in accordance with the policy framework. For lands acquired through donation, the construction works may not start without clearance from OPD safeguards in regard to the voluntary nature of the donation.

9. MONITORING AND REPORTING

Individual subprojects will have their own monitoring plan regarding the implementation of the RAP/LRP based on which the subprojects will prepare quarterly progress report ([Annex 3](#)).

Internal and external monitoring will be conducted to: (a) record and assess project inputs and the number of persons/households affected and compensated and (b) confirm that the living standard of the affected persons/households improved or at least restored to pre-project level

In terms of internal monitoring the ECO will constantly apprise the OPD about the progress in the implementation of the ESMF (RPF, IPPF etc.). The ECO will consolidate all these monitoring reports and submit the consolidated report to the OPD (See Template of Consolidated Report on [Annex 4](#)). The ECO will provide the following information, among others:

- 1) List of Subprojects in the Pipeline and their status in terms of RPF, providing information on the required instruments and the status of their preparation and implementation, etc.
- 2) List of recurring technical and administrative issues and constraints in the implementation of the RPF.

The OPD will conduct purposive site visits on selected subprojects to help resolve issues or validate reports on the progress. The OPD Safeguards unit will consolidate the reports and incorporate them in the project's Social Monitoring Report (SMR) to be made available to the World Bank's during its bi-annual Implementation Support Missions. The half-yearly SMR will include implementation status of the RAP, livelihood restoration activities. The template of the SMR will be developed during the preparation of the subproject level RAP.

In terms of external monitoring an independent consultant will be hired by the project for social monitoring of the project – including all sub projects. The consultant will carry out continuous monitoring of the social performance. The external monitoring will be annual. The External monitor will also prepare the project resettlement completion report.

10. GRIEVANCE REDRESS MECHANISM (GRM)

10.1. Grievances Mechanism Embedded in the Government Land Acquisition Process

All activities related to construction of demand driven, value chain related, and semi-public infrastructure and facilities will be undertaken in the government land. So, there will be no acquisition of private land by the project. However, it has been envisioned that the process of clearing government land may causes displacement and resettlement of people who might have been residing on such land. In addition, the construction activities may restrict access to private property or common resources, which may have impact on livelihood of impacted people. The purpose of this section is to allow the PAP to file specific complaints or concerns related to process of clearing/acquiring land that may cause displacement and resettlement, permanent and temporary restriction to business and common resources

10.2. Projects GRM Available to all PAPs and other Stakeholders

The project Grievance Redress Mechanism (GRM) described in the ESMF will also serve the purpose of receiving and resolving grievances regarding the implementation of the RAPs/LRPs. Each RAP/LRP will describe the GRM to be developed at a sub project level in detail. The social safeguard specialist each ECO will receive, record, conduct evaluation, and forward legitimate grievances for resolution to the appropriate committee or body. As per the capacity building provision made in the ESMF and SEP, the social safeguard specialist will be trained on dealing with GRM related to land acquisition, resettlement and rehabilitation, and livelihood restoration. The project will ensure the handling of the grievances and functioning of the GRM as envisaged by the EMSF, including the escalation procedures if the grievance is not resolved at the subproject level.

11. CAPACITY BUILDING

MoALD has experience implementing land acquisition of projects under the World Bank. These include two ongoing projects: the FANSEP and the NSLIP. The capacity building on the implementation of the RPF is incorporated in the capacity building plan of the ESMF. For individual subprojects, a social safeguard specialist will be hired, who will also deal with land acquisition activities. This person shall be required to attend a briefing on the RPF implementation before the start of the preparation of the subproject in particular on subproject eligibility, RPF criteria, gender considerations. The social safeguard specialist will also be invited to attend other relevant seminars/trainings to be conducted during the implementation of the project.

12. COST ESTIMATE

The cost of implementing this RPF is incorporated in the overall cost of implementing the ESMF, including staff recruitment and training. The cost of the land acquisition and resettlement activities, including the preparation of the RAP/LRPs shall be borne by the project through the Project Management component (Component 4). The cost for the payment of lands and relocation cost will be incorporated in the Subproject's construction cost.

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ANNEXES

Annex 1. Indicative Contents of the Resettlement Action Plan

1. Introduction

(State the purpose of the RAP. Mention that the RAP based on the Project's RPF.)

2. Subproject Description

(Provide a brief description of the subproject and its location/site. Also discuss the land requirements of the subproject, the total area required.)

3. Status of the Lands to be Used by the Project

(Discuss the ownership status of the lands to be acquired; the current land uses of the affected area. Provide a map or a sketch of the entire area, showing the land parcels to be affected and the extent of the acquisition.)

4. Socioeconomic profile of the affected community

(Briefly discuss the socioeconomic conditions of the area: the demographic situation, population, number of households, density, ethnicity, livelihood, income level, income sources, land ownership, presence of Adivasi Janajati, Dalits, internally displaced (e.g., resettled earthquake victims, people displaced from armed conflict, etc), presence of other vulnerable groups (e.g. single women-headed household, elderly headed households, households with PWD, households with young children)).

5. Involuntary Resettlement Impacts

(Discuss the extent of the impacts: the number of land parcels affected, the number of houses, other structure, crops and trees, impacts on livelihoods and businesses.)

6. Results of the Consultations

(Discuss the minutes of the consultation conducted among the affected population: the views expressed and how these views were taken into account in preparing the resettlement plan. Note that separate consultations should be conducted on members of the Adivasi Janajati and Dalit castes.)

7. Entitlement Matrix.

(Use the RPF's generic entitlement matrix to develop a more site-specific entitlement matrix based on the socioeconomic conditions of the PAPs and the results of the consultations. Note that the PAPs should be presented with feasible options during the consultations and must as a group decide on which option to avail. The final Entitlement Matrix should reflect their choice. Describe additional assistance to be extended to vulnerable persons and households.)

If the Entitlement Matrix includes provision of a replacement homes in a relocation site for those that will be physically displaced, then the RAP should contain the following additional information:

- (i) Selected relocation site as agreed by the PAPs
- (ii) Site development, access road, alleyways, electricity connections,
- (iii) Architectural design, engineering specifications of the housing units and amenities
- (iv) Subdivision organization and management, if needed.
- (v) Cost estimate.

If the Entitlement Matrix includes provision of livelihood development, the RAP will include description of the livelihood development plan: e.g. training, technical support, financial, marketing support, and budget estimate.)

8. Grievance Redress Mechanism

(Describe the designation of a local grievance focal person/officer and the constitution of a community/village grievance committee as a lowest component of the multitier GRM of the project.)

9. Implementation Schedule

(Discuss in detail the steps to be undertaken and schedules. Provide a Gantt chart as appropriate.)

10. Monitoring and reporting

(Detailed plan for monitoring and reporting)

11. Cost and Budget

(Provide a table showing categorized cost estimates for all resettlement activities, including training of local staff in charge of the RAP preparation and implementation, the cost of PAP compensation and resettlement, etc. Discuss the source of fund.)

Annex 2. PAP Census Questionnaire Template

Indicative and this may be supplemented with a more rigorous survey form as per assessed project risk

Subproject Name and Address: _____

Name of Interviewee: _____

Age, sex _____

Relationship to the PAP: _____

Date of Interview: _____

1. Name of PAP? _____

2. Age of the PAP? _____ Gender? _____ HH head? _____

3. Civil status of the PAP? _____

4. Number of members in the PAP household? _____

5. What is your main occupation of the PAP? _____

6. Estimated annual income of PAP from all sources? _____

7. How many in PAP household are earning regular incomes (incl. PAP)? _____

8. What is the estimated combined annual income of the PAP household? _____

9. How many children below 5y of age are in the PAP household? _____

10. Have any of the children been diagnosed as underweight/undernourished? _____

11. Persons with disability in the PAP household? _____ Nature of disability? _____

12. Are there elderly persons in the PAP household? _____

13. Has the PAP lost his home before? _____ How/Why? _____

14. What is the total (estimated) area in hectares of all PAP landholdings? _____

15. What is the floor area of PAP's current house? _____

16. Does the PAP own the house he is currently living in? _____

17. Does the PAP belong to any caste? _____ which one? _____

18. Does the PAP belong to any Adivasi Janajati group? _____ which one? _____

19. Does the PAP home have access to piped drinking water? _____

20. Does the PAP home have electricity connection? _____

Other relevant observations (about socioeconomic status, ethnicity, etc.):

Annex 3. Indicative RAP Monitoring Report Template

Name of Subproject: _____ Type (PP, LM, MEP): _____

Nature of Subproject (describe): _____

Address: _____

Name of Economic Corridor: _____

I. General

1. Status of Subproject (Check Status):

_____ Under Preparation

_____ Procurement

_____ Construction

_____ Completed

2. Status of Land Acquisition Activities for the Subproject (Check Status):

_____ Screening Validation

_____ RAP/LAD Preparation

_____ RAP/LAD Implementation

_____ Completed Land Acquisition/Implementation

_____ Completed Resettlement/Evaluation Stage

3. Issues and constraints encountered in the implementation of RPF

Issues and Constraints Encountered (Describe)	Suggested Corrective Actions	Status

II. Specific to the PAPs

Status of PAPs (Use portrait orientation for more space)

Name of PAP	HH Size	Vul*	Land sq m	House flr area	Structure flr area**	Crops area	Trees no.	Livelihood yes/no.	Status ***	Remarks/ Issue
1.										
2.										
3.										

*Vulnerability: IP, Dalit, PWD, IDP, Single Woman, Landless

**Structure affected other than house

**Surveyed, Assessed, Paid, Relocated

Annex 4. Indicative Consolidated ECO RPF Implementation Monitoring Report

Economic Corridor Name: _____

Reporting Period: _____

I. Status of Involuntary Resettlement Impacts of Subprojects (Use portrait orientation for more space)

Name of Subproject	SP Type	Inst. Type	Status	Total PAPs	Land Area	House #of PAP	Structure #PAP	Crops #PAP	Bus/ Livelihood #PAP	Remarks/Issues
1.										
2.										
3.										
4.										

SP Type: PP=PP subproject; MEP=Market and Export Promotion

Instrument Type: RAP; LAD

Status: UP=under preparation; UI=Under implementation; CI= completed implementation.

II. List of Recurring Issues and Constraints in the Implementation of RPF

Issue/Constraint	Suggested Corrective Measure	Status
1.		
2.		
3.		

Annex 5. Inventory of Affected Assets

Indicative and to be finalized by the Valuation Officer for each RAP/LRP

Status (Preliminary/Final): _____

PAP Code#/Name	Affected Asset	Quantity	Assessed Value	Concurrence (PAP Signature)
xxx01 (Name is optional)	Land	x	x	xx
	Entire Home*	x	x	
	Structure*	x	x	
	Trees	x	x	
	Crops	x	x	
	Total	x	x	
xxx02	Land	x	x	xx
	Entire Home*	x	x	
	Structure*	x	x	
	Trees	x	x	
	Crops	x	x	
	Total	x	x	
xxx03	Land	x	x	xx
	Entire Home*	x	x	
	Structure*	x	x	
	Trees	x	x	
	Crops	x	x	
	Total	x	x	
xxx04	Land	x	x	
	Entire Home*	x	x	
	Structure*	x	x	
	Trees	x	x	
	Crops	x	x	
	Total	x	x	
xxx05	Land	x	x	
	Entire Home*	x	x	
	Structure*	x	x	
	Trees	x	x	
	Crops	x	x	
	Total	x	x	
xxx06	Land	x	x	
	Entire Home*	x	x	
	Structure*	x	x	
	Trees	x	x	
	Crops	x	x	
	Total	x	x	

*Even if only portions are affected but the remaining is no longer viable as a dwelling place, the entire home is deemed displaced. Otherwise the affected portion will be counted as part of the other structures in the property.

