

**Government of Nepal
Ministry of Physical Infrastructure and Transport
Department of Roads**

**ROAD SECTOR DEVELOPMENT PROJECT (AF)
(IDA GRANT NO: H629 – NEP) (IDA CREDIT NO: 4832 – NEP)
(New Project Preparation and Supervision Services)**

**SUPPLEMENTARY RESETTLEMENT ACTION PLAN
SITALPATI – MUSIKOT ROAD**

**MMM Group Ltd. (Canada) in JV with
SAI Consulting Engineers (P) Ltd. (India) in association with
ITECO Nepal (P) Ltd. (Nepal) &
Total Management Services (Nepal)**

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EXECUTIVE SUMMARY

1. The Government of Nepal (GoN) has given high importance to the expansion of the country's road transportation facility in remote areas. In this context the Ministry of Physical Planning and Works, Department of Roads (DoR) is implementing a number of road projects in Central, Mid-Western and Far-Western regions of the country.
2. Shitalpati-Musikot road sub-project, which is presently classified as Feeder Road Standard, starts at Shitalpati of Salyan district and ends at Musikot Khalanga, the district headquarters of Rukum. The road has linked with Khalanga, Kajeri, Siddheshwari, Bajhkanda, Tharmare, Shivarath and Dhakadam VDCs of Salyan district and Muru, Khara, Rung, Bhalakcha and Khalanga VDCs of Rukum district. The sub-project is upgrading of existing road and required additional land. The total length of the proposed road is 86 km which requires total 15 hectare private land, 48 private structures, 104 temporary huts, and 535 private trees will be affected by the project design phase.
3. Resettlement Action Plan had prepared in project design phase and now it is being implementation. During RAP implementation period it was found that data has been changed due to construction activities and seems additional losses. With the aim of mitigation for additional losses, this Supplementary Resettlement Action Plan (S-RAP) has been prepared.
4. The aim for the preparation of this Supplementary Resettlement Action Plan (S-RAP) is to provide the policy and procedures of land acquisition, compensation and resettlement of additional affected persons and their addition loss. Among the affected households (RAP/SRAP), about 62 percent household will loss less than 5 percent and 18 percent household will loss 5-10 percent of their total land.
5. Application for additional losses was registered and field visit to identify the entire plots, estimated the volume of loss of assets and also cadastral verified by department of survey offices and inventory of loss assets was prepared.
6. A total of 67 structures, 217 land plots and 26662m² area need to be acquired. The impact mitigation measures are recommended as cash compensation and livelihood restoration for the PAPs, relocation of the displaced persons/households, R & R assistance & support allowances for losing households and vulnerable groups (Dalits). Compensation/rent for temporary acquisition of arable/residential land.
7. The RAP accepts the following entitled persons and institutions as the titleholders of the lost properties. Land and assets owners, displaced persons are entitled to get compensation, R & R assistance and support allowance (vulnerable people) according to the nature of loss.
8. The total resettlement cost including other assistance of NRs. **16541315.00** has been proposed for implementation of SRAP in which the compensatory costs are decided by CDC.
9. The central level arrangement of resettlement starts from the financial management for land acquisition and compensation from the Ministry of Physical Planning and Works. The Geo-Environment and Social Unit (GESU) will lead the overall management of social issues, review and approval of RAP and monitoring of timely and successful implementation of RAP.
10. Internal monitoring is the job of GESU, PCU and PMU in regular basis with the help of Social Development Expert (SDE) in GESU and Resettlement Specialist from supervision consultant. Internal monitoring will focus on verification of property valuation and economic rehabilitation in accordance with the provision of plan, Information dissemination and consultation with affected persons, status of land acquisition and timely payments on land/structure compensation and other assistance, use of entitlement and check its misuse and effective operation of the Grievance Redress Committees (GRC).
11. This SRAP will be submitted to DoR and the World Bank and in the DoR. Later this will be disclosed in the field at public places.

ABBREVIATIONS

AP(s)	Affected Person(s)/People
CBO	Community Based Organization
CDC	Compensation Determination Committee
CDO	Chief District Officer
Col	Corridor of Impact
DDC	District Development Committee
DDPN	District Development Profile of Nepal
DLRO	District Land Revenue Office
DLSO	District Land Survey Office
DoR	Department of Roads
ESMF	Environmental and Social Management Framework
FY	Fiscal Year
GESU	Geo-Environment and Social Unit
GoN	Government of Nepal
Ha	Hectare
HHs	Households
LCF	Local Consultative Forum
MoFSC	Ministry of Forest and Soil Conservation
MoH	Ministry of Health
MoLD	Ministry of Local Development
NGO	Non Governmental Organization
NRs	Nepalese Rupees
OD	Operational Guidelines of World Bank
OP	Operational Policy of World Bank
PAF	Project Affected Family
PAP	Project Affected Person
PCU	Program Coordination Unit
PIP	Priority Investment Plan
PLI	Poverty Line Income
RAP	Resettlement Action Plan
RoW	Right of Way
RSDP	Road Sector Development Project
SDRS	Social Development & Resettlement Specialist
Sqm	Square Meter
VDC	Village Development Committee
VCDP	Vulnerable People Development Plan
WB	World Bank

GLOSARRY OT TEARMS

Compensation	Payment to the PAPs in cash or kind for private property acquired by RSDP, based on replacement value as defined by the Compensation Determination Committee (CDC). However, the depreciation and salvage value will not be deducted when computing the compensation with respect to replacement value.
Compensation Determination Committee (CDC)	The district-level committee will be established in each road districts under Section 13 (2) of the Land Acquisition Act, 2034 B.S. (1977) to determine replacement value and compensation rates against the property acquired under the Act.
Corridor of Impact (CoI)	The COI is set at 10 meter i.e. 5 meter either side from the central line of the road. Assets acquisition will only take place for the additional 4 meter i.e. 2 meter either side from the existing 6-meter road.
Cut-off Date for Eligibility to Entitlement	The cut-off date for eligibility to compensation and assistance will be the date of notification by the CDC/DOR for land acquisition and compensation of affected households and assets.
Entitled Person	Any person who is entitled to get compensation due to loss of privately owned assets and other rehabilitation assistance.
Poverty Line Income (PLI)	The cost of maintaining basic, minimum needs. Different organizations and government departments have defined PLI, using factors such as per capita calorie intake and requirements and expenditure on housing and other non-food items.
Project Affected Person (PAP)	Any person directly affected by the project through the acquisition of assets belonging to him/her of his/her household or community. This includes any person whose rights, standard of living, subsistence and income-generating capacity are adversely affected through the acquisition of assets, whether full/partial, or permanent/temporary.
Project Affected Family (PAF)	The group of people residing in one house and operating as a single economic unit, who are affected adversely by the project. The project affected families are included widow or unmarried daughters (biological or adopted), matured son, adopted son over the age of 18 years who is looking personal business as livelihood management and or acting as household head in absence of parents, will be entitled to rehabilitation measures.
Project Affected Group	A community, communities, or a cultural group of people who lose community resources due to the project.
Rehabilitation	The measures taken to mitigate identified social impacts, including compensation, resettlement and rehabilitation and transition allowances where required.
Replacement Cost	With regard to land and structures, the “replacement cost” is defined as follows: For agricultural land, the replacement cost will be provided equal to the market value of land during pre-project period or pre-displacement period, whichever comes to be higher. The land will be valued as equal to the lands at the adjoining areas evaluating the quality and productivity, plus the cost for preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, the market value of the materials to build and replacement of structure will be valued. The valuation of structures will include repair cost for partially affected structures maintaining to provide equal or better quality structure during post-project period, plus the cost of transporting building materials to the construction site, and the cost of any labor and contractors’ fees for reconstruction plus the cost of any registration and transfer taxes.
Titleholder	The person who owns the project-affected land and/or building and have ownership certificate and the person who is authorized by law to receive the compensation granted for the acquisition of land.
Non-titleholders	A person living in others’ land and properties on rent, encroachers in private/public land, Kiosks, including marginal income groups (landless, women headed households, ethnic minorities and disables) will be eligible to receive replacement cost for losing their business and sources of income.
Tenant	A person does not have legal ownership and occupying/using land of a titleholder according to the stipulations of the Land Act, 2021 (1964).
Vulnerable Groups	A social category of persons whose livelihoods may be particularly become vulnerable due to disturbance created by the project. These groups include marginal income group, widows and Dalits.

1. PROJECT INTRODUCTION

1. The Government of Nepal has given high importance to the expansion of the country's road transportation facility in remote areas. In this context, the Ministry of Physical Infrastructure and Transport, Department of Roads (DOR) is implementing a number of road projects in various parts of the country.

2. As per the recommendations of the Priority Investment Plan (PIP) 2007 - 2016 the Department of Roads (DOR) identified certain road sections to be upgraded to low cost bituminous road standards for providing improved access to transport services for remote communities. These road works are planned to be undertaken under Road Sector Development Project (RSDP) applying portion of proceeds from IDA Grant No. 339-NEP.

3. RSDP aims to improve 429 km roads to all-weather roads in different hilly districts, support periodic maintenance of prioritized 450 km of strategic road network, support road safety works, and provide support for institutional strengthening and policy reform including capacity building.

1.1 Project Background

4. Shitalpati - Musikot road sub-project, which is presently classified as Feeder Road Classed (which is a part of Rapti Highway), starts at Shitalpati of Salyan district and ends at Musikot Khalanga, the district headquarters of Rukum. The road has been opened as gravel/earthen road standard. The road is located in the hills of the mid-western region of Nepal. The road section has intended to upgrade to sealed gravel standard in order to provide transportation facility to a wider influence area of Salyan and Rukum districts of Rapti zone.

5. From Shitalpati, it follows the Sarada River valley travelling toward east reaches Kharibot (km 85+300). Afterwards the alignment follows the contour and reaches Bangelakhuri (km 97+700). After Bangelakhuri it ascends up and reaches Jalekharka (km 103+700), which is at the top of the hill. From Jalekharka the alignment descends gradually up to Jhulneta (km 108+500). After Jhulneta, the road passes through Khara village and crosses Murukhola. From Murukhola, it follows left bank of Muru Khola and arrives Lahunekhola. After Lahunekhola crossing it follows right bank of Lahunekhola and arrives Shankhkhola crossing. After crossing Shankhkhola, the alignment climbs the hill and reaches Khalanga Musikot, the last point at Km 138+500 for the upgrading of this road section.

6. The road has linked with Khalanga, Kajeri, Siddheshwari, Bajhkanda, Tharmare, Shivarath and Dhakadam VDCs of Salyan district and Muru, Khara, Rung, Bhalakcha and Khalanga VDCs of Rukum district. The road alignment passes through a number of built-up areas. Shitalpati, Barala, Dhorchaur, Chakligat, Patere, Mokhala, Kalakhet, Tharmare, Bagchaur, Kharibot, Bangelakuri, Simkholi, Jalekharka, Jhulneta, Khara, Simrutu, Bairagithati, Solawang, Boharagaun, Serigaun, Khalanga and Salle are major settlements located in this road alignment. This road sub-project is upgrading of existing road and now civil works are going on. For the upgrading works, additional land is required.

7. Resettlement Action Plan had prepared in project design phase and now it is being implementation. During RAP implementation period it was found that data has been changed due to construction activities. With the aim of mettigation measure for additional loss, this Supplementary Resettlement Action Plan (S-RAP) has been prepared.

1.2 Aims of the Supplementary Resettlement Action Plan (S-RAP)

8. The aim for the preparation of this Supplementary Resettlement Action Plan (S-RAP) is to provide the policy and procedures of land acquisition, compensation and resettlement of additional affected persons and their addition loss. This document recommends the mitigation measures of the additional loss assets providing compensation of each lost items, employing monitoring mechanisms within the corridor of impact (COI) of the road.

9. This S-RAP identifies safeguard measures including compensation, resettlement and rehabilitation assistances to the additional affected persons consistent with the provisions of the Road Sector Wide Environmental and Social Management Framework (ESMF). This S-RAP particularly addresses the following adverse impacts associated with road improvement and upgrading works.

- Private and community resources affected by the project and the entitlements required for affected households reestablishment;
- The likely number of individuals and households affected by the project and the number of households that may be displaced;
- Organizational and institutional requirement for the implementation of compensation, resettlement and rehabilitation activities;
- Implementation schedules and monitoring mechanisms; and
- Compensation, resettlement and rehabilitation cost estimate.

1.3 Policy, Principles of Supplementary Resettlement Action Plan

10. The major principles of the sub-project's S-RAP is to avoid or minimize land acquisition and resettlement wherever possible and in unavoidable situation to ensure the AP's rights and receive assistance to remain in the same level as they would have been in absence of the sub project.

11. The proposed road upgrading activities require acquiring private assets including land, structures and trees and displacement of some people. Additional assets acquisition and compensation, resettlement, rehabilitation measures needed to the affected people. For these activities Supplementary Resettlement Action Plan (S-RAP) is required.

12. With the assistance of the World Bank under the on-going Road Sector Development Project (RSDP), the Department of Road (DOR) has developed a Sector Wide Environmental and Social Management Framework for the road program within the DoR. In particular, it was developed for the Sector Wide Road Program under preparation then and the implementation of the Priority Investment Plan for Nepal's Strategic Road Network for 2007 to 2016. The current proposed project is part of the priority investment plan. The ESMF was developed following relevant laws and regulations of the Government of Nepal, and environment and social operation policies of the World Bank. The ESMF was completed, reviewed and approved by the World Bank for compliance of its relevant policies. The ESMF will be applied to this project, as part of the priority investment plan, and guide the planning to address environmental and social impacts under the project.

13. This S-RAP has been prepared following the ESMF, a guiding document for safeguard and compliance aspects of social issues related with the Priority Investment Plan (PIP) for Strategic Road Network (SRN) for Nepal.

14. ESMF is in harmony to the GON policies and World Bank Policy on Involuntary Resettlement (OP/BP 4.10 and OP 4.12). Both WB policy and GoN legislation emphasize avoiding or minimizing involuntary resettlement. Where the acquisition of private assets is unavoidable, involuntary resettlement should be an integral part of project design and preparation.

- The acquisition of private assets and the displacement of people will be minimized to the possible extent, through the incorporation of social considerations into alignment selection and road design.
- Community consultation ensures people's views; concerns and suggestions will be incorporated into implementation procedure.
- An institutional framework will be developed as an integral part of the project to ensure that appropriate social impact management mechanisms are set up and maintained during implementation. These mechanisms and arrangements will ensure that compensation, resettlement and rehabilitation are carried out timely and effectively.

- Construction work will be commenced on road sections only after acquisition procedures are completed.

1.4 Scope of S-RAP

15. The government of Nepal has fixed a legal right of way of 50m for the highways and 30m for feeder roads. The Sitalpati - Musikot Road Sub-project has legal RoW of 30 meter (15 meter either side) from the centerline. Keeping in view of current situation and use of road, for the time being the Government decided to fix only 5m either side of the road as Corridor of Impact in this section. Therefore, the present study covers the total 10 meters of width of the road, since the average existing road width is 6 meters. The project requires only two meters additional land either side of the existing width was the scope of current study. This S-RAP only covers the safeguards measure for additional loss by the project.

2. ADDITIONAL LOSS

16. This road, upgrading work affects additional private land and structures. None of the additional public structures falls under the road construction width. The losses of assets are described as;

2.1 Loss of Land, Structure and Trees

17. In original RAP report (design phase) affected details are 1412 HH, 2088 land parcels, 152 structure 535 trees. Now the data has been changed due to additional losses. The detail of additional loss of land is presented in ANNEX -1. Following table no 1; shows the details of additional loss along with previous details.

Table No 1: Additional Loss of Land, Structure and Trees

SN	Name of Road	Projection RAP (Design Phase)				Additional loss in SRAP				
		Affected HHs	Affected Plots	Affected Structure	Affected Trees	Affected HHs	Affected Plots	Affected Structure	Affected Trees	Area to be acquired in m ²
1	SM -	1412	2088	152	535	155	217	67	0	26662

18. The road upgrading work affects altogether 152 private structures (to be demolished) in original RAP. But now data has been changed. Additional 67 structures are listed to be demolished. None of the community and government structures falls under the road construction width.

3. RESETTLEMENT POLICY, DEFINITION AND ENTITLEMENTS

3.1 Legal Acts, Applicable Policies, Legislations & Guidelines

19. The government of Nepal 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 like road act, forest act, land act and the property right mentioned in the constitution and some guidelines to be entertained for this S - RAP.

20. Only the relevant Acts and Regulations were reviewed in this RAP as prescribed in ESMF. Some of the acts and regulations are relevant to EIA purpose so they are not repeated here like Environmental Protection Act, Soil and Watershed Conservation Act, National Parks and Wildlife Conservation Act, Aquatic Animal Protection Act, Buffer zone Management Regulations etc. Therefore, the government issued acts and policies guidelines were reviewed. Similarly, the World Bank Guidelines is one of the most important legal documents. Some relevant acts, policies and guidelines are described as under;

3.1.1 Government of Nepal's Policies

21. **The Interim Constitution of Nepal (2007)** guarantees the fundamental rights of citizen. Article 19(1) establishes the right to property for every citizen of Nepal, whereby every citizen is entitled to earn, use, sell and exercise their right to property under existing laws. Article 19 (2) states that except for social welfare, the state will not acquire or exercise authority upon individual property. Article 19(3) states that when the state acquires or establishes its right over private property, the state will compensate for loss of property and the basis and procedure for such compensation will be specified under relevant laws.

22. **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 (Section 3 and 4). 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 (a) initial procedure, (b) a preliminary investigation process (c) acquisition notification, (d) compensation notification and (e) appeal procedures.
- Compensation Determination Committee (CDC) are established (at district level) to ascertain compensation rates for the land and other assets
- Compensation must be paid (a) for damage caused as a result of investigations during the project (including sanding crops, trees, and houses)
- Compensation must take depreciation for salvage materials into account.
- Compensation must be in cash (lump sum), although titleholders who have lost all of their landholdings will be provided land for resettlement, if available.
- Compensation against all types of loss will be paid to the person who has the right to claim for the compensation; to be entitled to compensation for land, a 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 land acquisition notice is issued by the Local Authority (Chief District Officer). Compensation for land is paid after the land is valued and the rate is fixed by Compensation Fixation Committee (CFC) if not otherwise it is CDC based on entitled complaints.

- Two separate rates of compensation can be paid i) titleholders who lose all their land, and ii) to titleholders who lose only some part of the land.
- In determining the compensation amount, the committees has 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 has to be acquired the CFC 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.

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

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

25. The **Public Roads Act, 2031 (1974)** empowers the government to acquire any land on a temporary basis for storage facilities, construction camps and so on during construction and upgrading of roads. Any buildings and other structures such as houses, sheds, schools, and temples are to be avoided wherever possible. The government is required to pay compensation for any damages caused to buildings, standing crops and trees. Compensation rates are negotiated between the government and the landowners.

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

27. The act empowers DoR to acquire any land on temporary basis during construction and upgrading. The act does not provide for leasing of land. DoR required paying compensation for any damages caused to buildings, crops and trees, where the farming activities of the landowner id interrupted, and where the landowner has to incur expansions to restore the land after its return. Compensation is determined between DOR and titleholder, or through mediation, involving officials from the relevant VDC and district.

28. Land Acquisition Guidelines provisioned to establish an Acquisition and Rehabilitation Committee (also known as Compensation Fixation or Determination Committee (CFC/CDC) consisting of concerned Chief District Officer (Chair), Land revenue Officer, representative of the District Development Committee (DDC) and the Project Manager and others as deemed necessary. The committee is responsible for acquire land and paying compensation.

29. Temporary loss of assets will be acquired with the application of Public Road Act 2031. The Act empowers Department of Roads (DOR) to acquire any land on a temporary basis (for storage facilities, construction camps etc.) during road improvement and upgrading. Compensation is determined between DOR and the titleholder, or through mediation, involving officials from the relevant VDC and District.

30. Loss of livelihood and income opportunities was assessed and will be compensated or restored following the provisions of approved Environmental and Social Management Framework.

3.1.2 The World Bank Guidelines

31. The key policy principles of Involuntary Resettlement Policy **OP 4.12** are to avoid, minimize and mitigate the adverse resettlement impacts of the affected people and provide supports to improve or at least restore their livelihood and income earning capacity to pre-project level. The policy also requires payment of compensation for all the assets lost at replacement value and additional assistances to all title holders and also specifies the compensation entitlements of different categories to non-titleholders. Those, with no legal rights at the time of the census and verification exercise, who have a claim to such rights under domestic law (from uninterrupted use of public land with no official eviction orders) should qualify for the full range of entitlements, provided that “such claims become recognized under the laws of the country through a process identified in the resettlement plan.” Other PAPs who occupy land in violation of domestic laws are entitled to compensation for assets such as buildings and standing crops but not to compensation for land losses. Where they have had uninterrupted possession of the land “for at least one year prior to the commencement of census, they are entitled to resettlement assistance in lieu of compensation for land.”

3.2 Entitlement Framework

30. Through the acquisition of private and community assets, the project will affect property owners, their dependants and community groups. This Entitlement Framework accordingly specifies compensation and/or rehabilitation measures for two units of entitlement individuals including affected individuals and their households, and groups.

3.2.1 Compensation

31. Compensation to the affected households for their private property will be provided. Furthermore, displacement allowance will be given to those persons who have another house to live and to operate their business and require few months time period to resettle in a new place. During the time of replacement, the household may lose their income due to disturbance in their business. The affected households those who displaced from the existing place and wants to go to another house either by constructing new house or in an old house, are subject to receive such allowances at lump-sum amount. Additional support allowance apart from displacement allowance and compensation will be provided to the severely affected household and marginalized group. There are no other marginalized groups presented in this road section except some *Dalit* households. *Dalits* are always standing as subordinate groups as an agricultural labor of upper caste and class people. They are also an artisan and skilled workers, being low land owing groups since generations. These *Dalits* are recommended to provide additional support of fixed amount as seed money to gear up their income investing in a productive sector. Loss of private asset will be valued and compensated based on the entitlement policy matrix given in table no 2 below.

3.2.2 Displacement Allowance

32. In addition to compensation for asset losses, some households who are losing houses will qualify for the displacement allowances. Households, which require to be relocated, will receive a housing displacement allowance equal to two-month poverty line income (PLI) based on the calculation for a household of 5.5 members. The provision of displacement allowance is that the house owners are free to demolish the affected house and can carry away to reuse the materials for new housing. The displacement allowance is a provisional compensation for facing trouble for the transitional period. It is recommended by the public consultation in different place that two months period is sufficient for replacement of

households since they have their another house nearby areas and villages, so they can shift in new residence within two months. So far as the loss of business is concerned due to displacement, there would not be more loss than the PLI of two months from business disturbance in these rural hills. It is therefore equal to two-month allowance is a sufficient amount to be settled after displacement.

33. Owners of commercial enterprises, who required to be relocated, will receive a Business Displacement Allowance equal to two months PLI for a household of 5.5 members (as per national average family size of 5.44), paid indiscriminately at the time of compensation payment.

3.2.3 Rehabilitation Measures

34. Apart from the provision of displacement allowances, the rehabilitation of additional PAPs will be getting additional support through preferential access to employment as per their willingness and capabilities to work in road construction. The PAPs will be employed in a construction project with a high priority. It does not mean that all PAPs are economically weak and willing to work in the construction project. In the consultation meeting, it was reported that very few upper caste people are willing to work as construction labor and majority of *Dalits* are the construction as well as agricultural labor in this area. The project in addition, will provide some support allowances to the vulnerable or marginalized and seriously, project affected households. Social Development and Resettlement Expert will monitor the whole rehabilitation activities throughout construction period.

3.2.4 Government Property

35. Government infrastructure and facilities affected by the project will be repaired or replaced in consultation with the relevant departmental authorities. But there are no any government infrastructures except government forestry in this section. The DoR acquires government land and forest in coordination with the Ministry of Forest. Clearance of trees is undertaken taking permission of Department of Forestry (DOF). The legal provision is that the DOR is responsible to plant 25 seedlings in the government land against one tree cutting. The cut down logs are the properties of DOF. DOR is responsible to establish nursery in an accessible areas of new plantation, supply seedlings, and bear the cost for five years to take care of new plantation to get the plant mature. But the execution part is of the Department of Forestry.

Table No 2: Entitlement Policy Matrix

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
1. Agricultural, Residential, Commercial, Pasture and Forestry Land			
1.1 Loss of Private Land under any form of tenure	<ul style="list-style-type: none"> Titleholder Encroacher/ Squatter on public land 	<ol style="list-style-type: none"> Provide compensation at full replacement cost, or Provide full title to land of equal area and productivity acceptable to owner in the vicinity. If land is not available elsewhere then provide cash compensation at full replacement cost based on current market rate or Government rate which ever is higher. In case of vulnerable groups preference should be to replace land for land 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. 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. In the case of farmland, the AP will be entitled the cultivation disruption allowance equal to one-year production. 	<ul style="list-style-type: none"> A List of available ailani land in each affected VDC is required A list of affected and entitled persons and the area of land loss is required Notice to vacate will be served at least 35 days prior to acquisition date. 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. Case-wise compensation will be either by cash or cheque, depending on the owner's preferences. To ensure fair compensation, determination of rates will be established not more than one year prior to property acquisition.
1.2 Loss of Tenancy Land	<ul style="list-style-type: none"> Landlord and Tenant by a written agreement (That is yet in practice and to be processed as per 2058 B.S. amendment in Land Reform Act). Renter/lease holder 	<ol style="list-style-type: none"> Both the landlord & the tenant will be entitled for 50 percent of land compensation amount each (As per 2058 B.S. amendment in Land Reform Act) Non-registered tenant/renter/lease holder does not qualify for compensation for land losses; however they will be entitled to compensation for crops. 	<ul style="list-style-type: none"> Where a renter / leaseholder have a sharecropping arrangement, the compensation payable should be apportioned according to the arrangement.
1.3 Loss of Guthi (Trust) Land)	<ul style="list-style-type: none"> Entitled Person/ institutions and tenant in accordance with the Guthi Corporation Act 2033. 	<ul style="list-style-type: none"> As per Guthi Corporation Act, 2033 	
1.4 Temporary Loss of Private Land	<ul style="list-style-type: none"> Titleholder Tenants and landlord (As both are the owner of equal (i.e. 50 %) share, hence treated as private land 	<ol style="list-style-type: none"> Compensation for crop, land productivity and other property losses for the duration of temporary occupation. Compensation for other disturbances & damages caused to property. Or, Contractor to negotiate a contract agreement on the rental rate with the owner for temporary acquisition of land. 	<ul style="list-style-type: none"> The owner/entitled party will sign a temporary occupation contract specifying: <ul style="list-style-type: none"> > Period of occupancy, > The terms and conditions for calculation of production losses,

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
	holder.	<p>4. Project and the Contractor to ensure that persons other than the owner affected as a result of temporary acquisition are compensated for the temporary period.</p> <p>5. Land should be returned to the owner at the end of temporary acquisition</p>	<ul style="list-style-type: none"> > The frequency of compensation payment, and > Land protection and rehabilitation measures. <p>The land will be returned to the owner at the end of temporary acquisition, restored to its original condition.</p>
2. Crops and Trees			
<p>2.1 Loss of Trees & Perennial Crops</p> <p>2.2 Loss of Non-perennial crops</p>	<ul style="list-style-type: none"> • Titleholder • Lessee/cultivators having agreement with the owner • Landless squatter/encroachers on public land 	<ol style="list-style-type: none"> 1. Advance notice to harvest crops 2. Net value of existing crops where harvesting is not possible. 3. The crops, which live, in short time will be paid in accordance with one-year output value. The crops which have lived for several years will be compensated at market value on the basis of loss of future production, based on 5 years annual net production for fruit & fodder trees & 3 years annual net production for timber/ fuel wood trees & other perennial crops. 	<ul style="list-style-type: none"> • Inventory of the tree and plant species list • List of owner, non-perennial crops and the area (if applicable) of cultivation should be prepared • 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. • The work schedule has to be adjusted considering the crop seasons so that for avoiding crop damage. • Crop/trees/bamboo market values will be determined by the CFCs in consultation with District agriculture and forestry office. • Where a tenant/renter/lessee & landowner have a sharecropping arrangement, the compensation payable should be apportioned according to the arrangement. • Materials may be salvaged with no deduction from compensation.
3. Houses, Structures and Other basic facilities			
<p>3.1 Loss of own house & Privately owned other structures</p> <p>3.2 Loss of commercial establishment.</p>	<ul style="list-style-type: none"> • Full Titleholder • Tenant/Renter/ Lease holder (own accommodation) • Landless squatter/encroachers on public land 	<ol style="list-style-type: none"> 1. 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. 2. 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. 3. Every household will receive transportation allowance on actual cost basis. 4. However, loss of structures other than household and commercial establishments does not entail payment of a displacement allowance 5. Resettlement assistance to those most vulnerable households to restore pre- displacement livelihoods. 6. Every displaced household with business affected will be entitled to receive 	<ul style="list-style-type: none"> • 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. • 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. • Other structures include: toilet, sheds, walls, fences, water mills, workshop etc. • Materials may be salvaged with no deduction from compensation • Non-titleholder (squatters, 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, at established rates determined by the CDC.

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
3.3 Loss of rented accommodation	Renter/Lessee holder	<p>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.</p> <p>7. One time cash assistance (displacement allowance) equivalent to one months rent for moving to alternative premises for commercial establishment</p> <p>8. The household will be entitled to a rental stipend for loss of rented accommodation</p> <p>9. Cash compensation for damages to structures resulting from</p>	<ul style="list-style-type: none"> 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
3.4 Other basic household facilities	<ul style="list-style-type: none"> Titleholder Tenant/lessee holder/renter Landless squatter / encroacher on public land. 	<p>1. Payment of installation charge or compensation for relocation of electricity, telephone line, TV cable drinking water and other infrastructure to the installer, if these exists.</p>	<ul style="list-style-type: none"> The concerned authority will be requested to assist the households to reinstall or permit the facilities in their new location if applicable/required.
4. Community and Cultural Assets/ Facilities			
4.1 Loss of community buildings/ structures, cultural assets	<ul style="list-style-type: none"> Local community/ User's group 	<p>1. Cash compensation for restoring affected community and cultural resources.</p> <p>2. 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.</p> <p>3. Restoration before commencement of the project where necessary, or to be determined in consultation with the community.</p>	<ul style="list-style-type: none"> Community resources/facilities include: schools, temples/monastery, religious tree, graveyards, ghats, waiting sheds, including the community hall etc. established by the local community/ CBOs.
4.2 Loss of land	<ul style="list-style-type: none"> Local community user's group 	<p>1. Restoration of access to community resources</p>	<ul style="list-style-type: none"> The land revenue office in the district and concerned VDC/municipality will be requested to assist communities for land replacement identifying the area nearby.
4.3 Loss of community forests and other natural resources due to construction	<ul style="list-style-type: none"> Forest user's group/Other Groups Concerned 	<p>1. 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.</p> <p>2. Community forestland lost due to road construction should be replaced and reforested according to DoF regulations including others concerned.</p> <p>3. Advance notice to harvest resources from affected community forest areas.</p> <p>4. Compensation for trees to the FUG</p>	<ul style="list-style-type: none"> List of plant and tree species lost and an assessment for maintaining that kind of vegetation. Compensation for trees calculated on the basis of type, age, and productive value of affected trees in consultation of concerned forestry office and FUG. To minimize damage the department of Forestry will be requested for necessary action.

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

Type of Loss	Entitlement Unit	Description of Entitlement /Compensation Policy	Implementation issues/procedures
6.2 Severe loss of assets directly due to the project, and severe impact indirectly caused by the project.	<ul style="list-style-type: none"> Households/ APs having significant impacts Households of the Vulnerable categories APs family members over 16 years of age 	<ol style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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.
7. Damages Caused during Construction			
7.1 any kind of Private and Public Properties	All categories of entitled persons	<ol style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> The same entitlement policies will apply as for other land acquisition.
8. Government Property			
8.1 Loss of infrastructure and facilities	Relevant agency	1. Facilities will be repaired or replaced.	<ul style="list-style-type: none"> To be undertaken in consultation with the relevant department or ministry
8.2 Loss of forest areas	Department of Forest	1. Mitigation by means of afforestation.	<ul style="list-style-type: none"> An assessment for maintaining that kind of vegetation To be undertaken in consultation with Department of Forestry

4. RESETTLEMENT AND REHABILITATION

4.1 Compensation and Livelihood Restoration

36. Key impacts on additional affected households are land acquisition and loss of structures. As indicated in the field verification during civil works and impact analysis, the land loss impact on household impact level is very insignificant. Most of the additional affected land is low quality and non productive in agricultural point of view.

4.2 Relocation Needs and Approach

37. For those additional structure, almost all households prefer to take cash compensation and desire to move to their other houses. In this regards compensation distribution is ongoing process.

4.3 R & R Assistance and Support Allowance

38. As per the provision of ESMF/DOR, R & R assistance and support allowance packages have designed for additional affected families.

5. COST ESTIMATION

39. The cost of affected assets has defined as per local market value and decision made by CDC meeting.

5.1 Cost Estimation of Privat Land

40. The cost of land varies according to land quality (fertility, and grading) and land use rather than particularizing on grading. The land along the road alignment has high value even if the quality is lower. If the land is has irrigation facility and has high crop yield values higher than the high grade land the land belongs to the road head so almost all land was valued as residential land rather than agricultural purpose. The estimated present land value for the project area is higher than the government valuation for land registration. The estimated land valuation is presented in table no 3.

Table No 3: Estimated Cost for Private Land

SN	Loss	Area to be acquired	Plots	Total Amount
1	Land	26662 m ²	217	9274148.00

5.3 Compensation for Private Structures

41. Altogether 69 additional private structures (Residential and Huts) need to be acquired for the road upgrading works. The estimated cost for the private structure is presented below. The cost estimation was done based on the same rate which had paid for previous structure.

Table No 4: Estimated Cost of Private & Temporary Structure

SN	Type of Structure	Number of Structure	Amount
1	Residential Structure	26	6597167.00
2	Hut	41	205000.00
Total:		67	6802167.00

5.4 Resettlement and Rehabilitation Allowance and Support Allowance

42. Altogether 26 residential structure and 41 hut/sheds are found to be demolished due to road upgrading works. The displacement and rehabilitation allowance covers the housing displacement and business displacement allowance. Households whose houses need to be relocated will receive a housing displacement allowance. Owners of commercial enterprises who are required to relocate will receive a business displacement allowance. Estimated cost for the displacement and rehabilitation allowances is presented below.

Table No 5: Resettlement & Rehabilitation and Support Allowances

SN	Type of Structure	Number	R & R	Support Allowance	Remarks
1	Residential / Major Structure	26	260000.00	-	
2	Hut	41	205000.00	-	

5.5 Cultivation Distruption Allowance

43. In the case of farmland, the AP will be entitled the cultivation disruption allowance equal to one-year production. Keep this in mind this cost has already included with land compensation amount which is decided by the CDC.

5.6 Total Cost Estimate

43. The total estimated cost for the compensation payment for private assets including structure, land, displacement, rehabilitation and support allowances which is given in Table 6.

Table No 6: Summary of Cost Estimation

SN	Item	Quantity	Amount	Remarks
1	Compensation for Land	26662m ²	9274148.00	
2	Compensation for Structure (Residential)	26	7007167.00	
3	Compensation for Hut + R&R	41	410000.00	
4	R&R assistance for structure	26	260000.00	
	Total:		16541315.00	

ANNEXES

Annex-1: Details of affected land and estimated cost

Annex-2: Details of affected structures and estimated cost