

Update on the

MANAGEMENT ACTION PLAN

for the

NEPAL:

POWER DEVELOPMENT PROJECT (P043311)

June 22, 2014

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Pictures of the Field Visit

ABBREVIATIONS AND ACRONYMS

AP	Affected People (people affected or potentially affected by the Project)
ARAP	Abbreviated Resettlement Action Plan
CDO	Chief District Office
ESSD	Environmental and Social Studies Department
GRM	Grievance Redress Mechanism
IDA	International Development Association
IEC	Information, Education and Communication
LAHURNIP	Lawyers' Association for the Human Rights of Nepalese Indigenous Peoples
NEA	Nepal Electricity Authority
PDP	Power Development Project
R&R	Resettlement and Rehabilitation
ROW	Right of Way
VCDP	Vulnerable Communities Development Plan
VDC	Village Development Committee
SC	Struggle Committee

BACKGROUND

1. On July 24, 2013, the Inspection Panel registered a Request for Inspection concerning the Nepal Power Development Project (PDP). The PDP as originally approved had three components: (i) establishment of a Power Development Fund; (ii) a Micro Hydro Village Electrification Program; and (iii) the Khimti-Dhalkebar Transmission Line, which is the subject of the Request. Implementation of the PDP began in 2003, and the Project was restructured three times. It closed in December 2013. The unused IDA financing of US\$6.42 million was cancelled.

2. The PDP aimed to build capacity to manage the development of Nepal's hydropower potential in a prudent and sustainable manner; increase access to electricity services in rural areas; and improve the supply and accountability of electricity.

3. The PDP was implemented during a tumultuous period of Nepal's history. Following a ten-year civil war that in 2006 replaced a centuries-old monarchy with multiparty democracy, Nepal remains at a crossroads, facing serious development challenges in a context of continuing political uncertainty. Energy continues to be a key constraint to development in Nepal for a range of reasons, including weak institutional capacity. Despite having an estimated 42,000 to 83,000 MW of potential hydropower resources, the actual energy situation in Nepal remains one of the worst in the world.

REQUEST FOR INSPECTION

4. The Request for Inspection was submitted by 103 indigenous and non-indigenous families in three villages of Sindhuli District, supported by a coalition of civil society organizations and individuals. The Requesters' key claims were that the PDP had not complied with the Bank's policies in relation to: (i) analysis and due consideration of alternatives in the alignment of the Khimti-Dhalkebar Transmission Line and the corresponding potential adverse impacts associated with the alignment; (ii) compensation to land holders with properties under the right of way (ROW); (iii) alleged human rights violations during a confrontation between protesters and the police in Sindhuli District; (iv) the Project's approach to addressing Indigenous Peoples in the Project area; (v) consultations with affected peoples in Sindhuli District; and (vi) disclosure of relevant safeguard documents.

MANAGEMENT'S RESPONSE

5. A Management Response was prepared on September 11, 2013 and submitted to the Panel. In the Management Response, an Action Plan was presented which aims at addressing shortcomings that the team had identified and agreed upon with the Implementing Agency, the Nepal Electricity Authority (NEA) – See attachment 1. To date, most of the activities in the Action Plan have been completed, except for the ROW compensation and implementation of the updated Vulnerable Communities Development Plan (VCDP) and Resettlement Action Plan (RAP). The RAP and VCDP were updated to cover additional affected families under the tower pads and under the ROW. The updates also recorded further consultations with the community and new demands for community level infrastructure (see below), since the VCDP and RAP prepared in 2006 were out of date by the time project construction started in 2010. The actions that still need to be implemented include: (i) projects in the updated VCDP and RAP, such as irrigation schemes, enhancement of religious and historic places, and drinking water supply; (ii) payment of compensation to remaining land owners affected by road construction in Sindhuli; (iii) disbursement of resettlement and rehabilitation assistance to

severely affected persons; (iv) disbursement of compensation for ROW. NEA has indicated that items (ii) and (iii) can be completed over the coming two months, whereas item (i) that involves physical project construction will take about 6 months, and item (iv) for disbursement of the compensation in Sindhuli will take even longer time. After completion of the item (i), (ii) and (iii) and funds in the amount required for the remaining ROW compensations plus ten percent (10%) are deposited in an ESCROW account for item (iv), the Action Plan could be considered completed. The Bank is continuing to monitor the government's implementation of the Action Plan and the Project's safeguards instruments.

PROGRESS IN IMPLEMENTATION OF THE ACTION PLAN

6. Progress in implementation of the Action Plan is summarized below:

A. Compensation for ROW

7. ***Compensation in Sindhuli District.*** Owners of 124 out of 159 (78%) land plots in the affected 3.85 km of ROW¹ have accepted the new compensation package offered by the government, comprising: (i) compensation at 100 percent of the land value determined by a Land Value Fixation Committee, which includes a representative from the local community; (ii) access to grid-based electricity with continuous power; and (iii) construction of a feeder road along the affected ROW section to improve connectivity. This is significantly more generous than the original package offered by the NEA, which offered ten percent of the land value determined by the Land Value Fixation Committee. On these new terms, the government has paid compensation to the owners of 117 plots and is processing payments to the owners of a further seven plots. The owners of the remaining 35 plots (22%) have either refused to accept or have not indicated whether they will accept the new compensation package.

8. NEA has endeavored to maintain continuous communication and consultations with the affected people. It has actively engaged with the Struggle Committee to try to negotiate agreements with the remaining households². NEA expects that, despite these efforts, some owners will continue to reject the compensation offered. Because of this expectation, funds for all outstanding payments to cover 100% of the land values have been placed in a special account of the Chief District Office (CDO) set aside for compensation purposes only, and the compensation is on-going.

9. ***Compensation in Dhanusa and Ramechap Districts.*** To date, the Project is not disputed in these districts. Land acquisition for all tower pads has been completed and towers erected. Compensation for the ROW, the land ownership of which still belongs to the affected people, had been completed for 53% of affected land plots in Dhanusa and 44% in Ramechap by May 22, 2014. NEA halted the stringing work and the compensation while the dispute in Sindhuli was ongoing. Now that compensation is either paid or the funds are in a special account of the CDO, NEA will proceed to complete compensation disbursement for these two districts and does not expect any major issues.

¹ These are lands which will be acquired for constructing a road, and ownership will be transferred to the Government after the land acquisition process is completed,

² A committee established to represent the interests of affected persons in Sindhuli District; it is composed of affected persons and is supported by the Lawyers' Association for the Human Rights of Nepalese Indigenous Peoples (LAHURNIP) and the US-based Accountability Counsel Organization.

B. Update and Implementation of VCDP and RAP

10. ***Update of VCDP and RAP.*** The VCDP was updated based on extensive consultations with the communities affected by the Project along the entire Transmission Line stretch (Attachment 1). The RAP, on the other hand, was updated based on secondary information available through the Project, taking into account the increased impacts on lands and structures, particularly in the feeder road section. The details of consultations are summarized in the revised VCDP. The revised VCDP includes measures to address important community-level issues and demands raised during the consultations.³³ English and Nepali versions of the updated VCDP and RAP were disclosed on NEA websites on April 4, 2014, and at the Bank's InfoShop on March 1, 2014 (VCDP) and March 31, 2014 (RAP).

11. ***Implementation of Updated VCDP and RAP.*** NEA began to implement the RAP in May 2014 and expects to complete it by July 2014. Implementation of the VCDP is planned to start in June 2014.

C. Supplemental Communication and Consultations

12. In accordance with the Management Action Plan, NEA (i) hired a Communication Specialist and a Liaison Officer, both from the project-affected communities, to engage with the local communities on a daily basis; (ii) prepared new illustrated project communication materials, in Nepali, covering all major issues raised in the Request; (iii) conducted two rounds of supplemental consultations in Sindhuli District and in other project-affected areas covering the main concerns of the affected people; (iv) disseminated new project communication materials; (v) updated the VCDP and RAP to address the issues raised; and (vi) enhanced the project-level Grievance Redressing Mechanism (GRM), made the changes operational, and disclosed the contact information of different tiers of the new GRM.

13. ***Communication and Consultations with the Affected People in Sindhuli District.*** NEA conducted two rounds of consultations in Sindhuli District in February and March, 2014, with Bank team support for their preparation, participation and supervision. Before the field visit on March 17-20, 2014, NEA met in Kathmandu with representatives of the Struggle Committee, LAHURNIP, Accountability Council and Affected People from Sindhuli. The World Bank joined the meeting. At this meeting, the NEA planned the field consultation process jointly with the participants, and shared the new project communication materials. The subsequent field consultations were coordinated by the Struggle Committee.

14. The field consultations were attended by a broad audience and clarified project information, scope of project-affected areas, expected impacts and measures for mitigation and compensation. The NEA and the Bank jointly responded to various questions raised during the consultation process. Project communication materials were distributed to households along the affected 3.85 km ROW section and released to the news media. The joint team also met local leaders of political parties, who had expressed support for the project and provided constructive suggestions on communication and consensus-building among the local communities. At the end of the consultations, few Struggle Committee members questioned the au-

³³ The VCDP has identified priority demands based on the needs of the communities, consulted in the Project affected Village Development Committees (VDCs) within settlements close to either side of the entire transmission line route, except for the disputed section of Kamalamai Municipality, Sindhuli District, where the Struggle Committee refused to hold consultations with the survey team until the major dispute and their 7 point-demands were resolved.

thenticity of the information provided to them and the value of the consultations. One of the leading persons in the Struggle Committee told the team that they knew the project and that there was no need for the project information provided. They also repeated their request that the NEA re-route the transmission line.

15. ***Threatening Behavior.*** In an earlier field visit to the affected community in Sindhuli in January 2013, the Bank team witnessed affected people threatening to burn NEA's cars if they came back to Sindhuli. During the field consultations on March 17-20, 2014, affected community members twice threatened to assault the Bank's Country Director. During the household-by-household visit along the 3.8 km ROW section that took place on March 19, 2014, some of the directly-affected households told the Bank that they had been threatened by members of the Struggle Committee and urged not to accept project communication materials and compensation payments. These households advised the NEA/Bank team to publish the project information in the local media so they could access the information without risking retribution. During a visit to affected households on March 20, 2014, the NEA Project Director was cornered by an agitated group of youngsters, who not only threatened to tear down the towers but also to physically harm the Project Director. After the visit, the project communication materials were published in seven different local newspapers from March 27 to April 4, 2014.

D. Enhanced Grievance Redress Mechanism

16. The project-level GRM has been strengthened and is operational. It complements the Government's system for grievance redress. The Project has added a Communication Officer and one Liaison Officer operating in the field as the first point of contact for grievances. Both the Communication Officer and Liaison Officer have been hired from the local community. The NEA Project Director and Chief District Officer serve at the next levels of the GRM. Contact information for all levels was included in the communication materials in Nepali, and was disseminated during the field consultations in March 2014. NEA reported that so far they have received 21 grievances (16 written and 5 verbal) and have duly processed them in line with the GRM requirements.

E. Impacts on Schools, Cultural and Religious Sites Claimed in the Request

17. A joint NEA/Bank team, together with representatives of the Struggle Committee and affected persons, visited the schools, cultural and religious sites which are allegedly affected by the power line. The site visit revealed that none of the buildings are within the ROW, except for the "aad," a historic sub-structure of Sindhuli Gadi Fort (comprised of a number of structures used for the Gurkha battle of 1767 against the foreign invasion of Nepal), over which the transmission line passes. That sub-structure will not be removed, as it is not an occupied structure. The updated VCDP includes measures for the conservation of the "aad" based on consultation with the local community and Government authorities.

Attachment 1: Update on Implementation Status of Action Plan

Attachment 2: Back to Office Report – Field Visit to Sindhuli, March 17-20, 2014

ATTACHMENT 1: UPDATE ON IMPLEMENTATION STATUS OF ACTION PLAN

Action	Targeted Date	Progress as of May 22, 2014
Complete outstanding compensation disbursements + Resettlement & Rehabilitation assistance	End October 2013	<p>In Dhanusa District (for the full length of ROW): in progress.</p> <ul style="list-style-type: none"> • Land acquisition for all the 40 tower pads (on both government and private land) were completed and all towers erected; • Out of total 139 land plots affected by the ROW, owners of 73 plots (53%) were compensated; • NEA halted the stringing work and subsequently the compensation while the dispute in Sindhuli was ongoing. Now the compensation is either paid or the funds are in escrow. NEA will proceed to complete the compensation for the entire area and does not expect any major issues. <p>In Ramechhap District (for the full length of ROW): in progress.</p> <ul style="list-style-type: none"> • Land acquisition for all the 51 tower pads (on both government and private land) were completed and all towers erected; • Out of total 520 land plots affected by the ROW, owners of 230 plots (44%) were compensated; • NEA halted the stringing work and subsequently the compensation while the dispute in Sindhuli was ongoing. Now the compensation is either paid or the funds are in escrow. NEA will proceed to complete the compensation for the entire area and does not expect any major issues. <p>In Sindhuli, progress made with compensation during the last two months is very limited.</p> <ul style="list-style-type: none"> • The new compensation package was announced in local newspapers, and explained to a wide audience in Sindhuli District through several rounds of consultation and communication events. Bank team meeting with the Struggle Committee in Kathmandu and field visits in Sindhuli District confirm that local communities are well aware of the new compensation packages; • Land cadastral survey for the feeder road was completed and 159 land parcels (123 owners) affected were confirmed. The list of the affected land parcels and their owners was published in a local newspaper. Bank team meeting with the Struggle Committee and field visits to the affected households in Sindhuli District have not identified any confusion on which land plots and whose land plots are affected by the Project; • Land value for the affected land parcels were assessed and announced by the Land Value Fixation Committee; • Budget for 100% land value compensation of all affected land parcels was disbursed to the Chief District Office, which is responsible for processing registrations of claims for compensation from the affected households and verifying and disbursing the cash compensations; • NEA has conducted supplemental consultations with updated project communication materials in response to the concerns raised by the local communities, such as impacts on health, cultural and religious sites, schools, land use under the ROW, GRM, etc.; • Progress was made in reaching agreement with the affected households in Sindhuli District. Out of 159 affected plots (123 owners) identified in feeder road section: <ul style="list-style-type: none"> a) Owners of 124 plots (78%) have agreed to offer their land and accepted the compensation package. Compensation

Action	Targeted Date	Progress as of May 22, 2014
		<p>has been paid to owners of 117 plots and compensation to owners of another 7 plots is being processed;</p> <p>b) Owners of 35 plots (22%) have not clearly indicated whether they will or will not accept the compensation (some of them refused to accept and some others refused to discuss the issue of compensation, as found during the field consultation in March).</p> <ul style="list-style-type: none"> • NEA anticipates that some households will not accept compensation and is requesting Government to exercise eminent domain after all other feasible measures are exhausted, and all other activities specified in this Action Plan are completed. To this end, compensation amounting to 100% of the land value for all plots that have not yet been acquired or compensated, plus 10%, has been put into an escrow account.
Hire communication/social specialist	End October 2013	<ul style="list-style-type: none"> • A Communication Specialist (Mr. Khetraj Adhikari) was hired in February 2014, has assumed his function and has helped NEA to hold local-level consultations and organize information communication and dissemination; • The Communication Specialist is holding frequent consultations with the members of the Struggle Committee to listen to and record their grievances. The Communication Specialist has forwarded the grievances to the concerned offices of the Government such as the Chief District Officer, Road Division Office, District Cadastral Survey Office etc.
Appoint community liaison officers for key communities	End October 2013	<ul style="list-style-type: none"> • One Liaison Officer, recruited from among the Affected People (APs), has been appointed and functioning since March 2014 in Sindhuli as the first point of contact for local people to express grievances under the new Project GRM; • NEA invited the Struggle Committee to nominate one person to be hired by the Project as the second Liaison Officer. A female member from a Struggle Committee member household has submitted application and the application is under processing/consideration by NEA; • Regarding the concerns of impact on health, NEA has hired a Professor of Health from Tribhuvan University, whose hometown is in Sindhuli District, to explain the issue to the community.
Update VCDP and ARAP	October 2013	<p>The VCDP was updated. Disclosure of the updated RAP and VCDP:</p> <ul style="list-style-type: none"> • English versions were posted on the NEA website on April 4, 2014 and on the Bank's InfoShop website on March 1, 2014 (VCDP) and March 31, 2014 (RAP); • Nepali versions were posted on the NEA website on April 17, 2014; • Hard copies of the Nepali version were distributed by NEA in project areas on May 10, 2014.
Complete implementation of updated VCDP and ARAP	November 2013	<ul style="list-style-type: none"> • Implementation of the updated RAP is underway. NEA plans to complete the implementation of the updated RAP by June 2014; • The NEA Project Unit plans to sign an MOU with ESSD of NEA for the implementation of VCDP. The ESSD is developing the technical and financial proposal for signing the MOU; • Implementation of VCDP will continue even after the completion of Project.
Strengthen the current Project GRM	End October 2013	<ul style="list-style-type: none"> • The new GRM, including names and contact information, was widely disseminated in the field consultation on March 17-20, 2014. It is also part of the new communication materials; • The new GRM in place now operates on 3 tiers: (i) Communication Officer and Liaison Officer; (ii) Project Manager; and (iii) Chief District Officer level;

Action	Targeted Date	Progress as of May 22, 2014
		<ul style="list-style-type: none"> The APs and public were informed in March 2014 that the new Communication Officer and Liaison Officer are the frontline staff of the Project to hear the grievances and address them at the first stage; The Project staff will keep up its system of thorough maintenance of records of all grievances/consultations/tasks performed under the GRM.
Continuing consultations and inter-action with affected communities to reach conclusion on the ROW of the disputed stretch.	Continuous activity in the remaining period of Project implementation	<p>For update of VCDP and RAP</p> <ul style="list-style-type: none"> The ESSD team held 51 consultations with the IPs and vulnerable groups comprising 775 participants, including 46% females in the Project districts during March 1-15, 2014 to update the VCDP; The Bank's Social Development Consultant visited 15 sites during ESSD's consultations; <p>For consultations and communications in Sindhuli District</p> <ul style="list-style-type: none"> The Communication Officer has been in consultation and communication with affected communities since February 2014; Regarding the concerns about impacts on health, a Professor of Health from Tribhuvan University visited Sindhuli District twice to communicate with the local communities about health impacts; NEA conducted a major round of consultation in Sindhuli during February 22-25, 2014, with Bank participation. In addition to communication on all concerns of the local people, the NEA and Bank joint team together with the representatives of the Struggle Committee and the APs visited the schools, cultural and religious sites claimed by local people to be affected: <ul style="list-style-type: none"> a) It confirmed that none of them are within the ROW, except for the "aad," a historic sub-structure of Sindhuli Gadi Fort (a number of structures used for a victorious battle against foreign invasion of Nepal), over which the transmission line passes; the sub-structure will not be removed; b) Based on consultations with the local people and Government authorities, measures for conservation of the "aad" were prepared and included as part of the updated VCDP; An NEA and Bank team including the Country Director and other senior staff held close consultations and interactions with different stakeholders before and during March 17-20, 2014, including: <ul style="list-style-type: none"> a) Meeting with Struggle Committee, Accountability Council representative, Affected Peoples, and local people interested in the project in Kathmandu and in Sindhuli District; b) Visit with the directly-affected households along the 3.85 km ROW section under dispute, answering their questions and distributing project information; c) Meeting with local political leaders and news media in Sindhuli District for communication on people's concerns and dissemination of project information; and d) Visit to sites of religious and historical importance, namely, Kamalamai Temple, Bhadrakali Temple and Sindhuligadi (Gadi Fort).
Develop and disseminate new communications materials at 3 sites (Khimti,	Possibly by end November; depends	<p>Different types of project materials in Nepali were developed and distributed to the local communities and released to local news media during the field visit, March 17-20, 2014. The materials include:</p> <ul style="list-style-type: none"> Project information and graphic illustration of benefit of electrification.

Action	Targeted Date	Progress as of May 22, 2014
Dhalkebar & Sindhuli)	on hiring of Social Specialist by NEA	<ul style="list-style-type: none"> • Graphic illustration of affected range of ROW and restricted use of ROW; • Other project impacts, including health, and entitlement for compensation; • Poster with photos of example ROWs going through residential areas in Europe, USA and Kathmandu City; and • The project level GRM, including its structure and contact information at different levels.
Completion of physical works	December 31	NEA plans to complete the remaining work of the Action Plan by end December 2014 and subsequently resume the physical construction work, in close consultation with the Bank.

**ATTACHMENT 2: BACK TO OFFICE REPORT
FIELD VISIT TO SINDHULI, MARCH 17-20, 2014
KHIMTI-DHALKEBAR 220 KV TL PROJECT**

1. TEAM VISIT

A World Bank team⁴ led by the Country Director visited the Khimti-Dhalkebar 220 kV Transmission Line Project from March 17 to 20, 2014. The objectives of the visit by the Bank team led by senior staff were to: (i) hold consultations with the Struggle Committee members and understand their concerns about the Project's impacts; (ii) hear the grievances of the Affected Peoples (APs) at the sites themselves; and (iii) disseminate factual information about the Project on site and distribute various Information, Education and Communication (IEC) materials, i.e. leaflets, FAQs, information regarding the Transmission Line (TL) ROW, including impacts on physical properties such as lands and structures, and on the health and safety as well as overall livelihoods of people.

The Bank team was accompanied by the NEA Project Manager and other NEA staff in most of the consultations and forums organized in various locations.⁵

2. CONSULTATIONS, SITE VISITS AND OUTCOMES

The Bank/NEA team held consultations with different groups of stakeholders with the intention of sharing information and soliciting opinions from them. The stakeholders provided their feedback about the Project based on their knowledge and perceptions; these are summarized in the sections below.

2.1 Site Visits and Consultations

The team's site visits in different locations and consultations with stakeholders were planned in coordination with the Struggle Committee members. The major consultations held and sites visited by the team were as follows.

- Consultation with the Struggle Committee Members and Affected Peoples (Morning, March 18, led by Jie Tang)
- Open consultations in disputed site with APs and Struggle Committee Members (afternoon, March 18, led by Johannes Zutt)
- Site visit to Kamalamai Temple area to see the impacted area by transmission line (Afternoon, March 18, led by Johannes Zutt)
- Consultations with local political leaders (evening, March 18, led by Jie Tang)
- Walk-through along the ROW (morning, March 19, led by Johannes Zutt)

⁴ The Bank team was comprised of Johannes Zutt (Country Director), Jie Tang (Lead Energy Specialist), Partha Priya Ghosh (Sr. Social Specialist), Rajib Upadhyaya (Sr. External Affairs Officer), Anil Chitrakar (Facilitator, Consultant), Ishwor Neupane (Social Development Consultant), Barsha Pandey (Energy Consultant) and Nawa Raj Karki (Professor, Transmission Line Expert).

⁵ NEA Team: Kanhaiya Kr. Manandhar (Project Manager); Ramesh Kr. Karki, Assistant Director; Krishna Kanta Pandit, Assistant Manager; Niranjan Sah, Assistant Manager; Bharat Kumar Khadka, Admin. Officer; Rajan Rishi Kanel, Social Expert, ESSD; Khet Raj Adhikary, Communication Officer; and Khadka Bahadur Rajan Magar, Liaison Officer.

- Interactions with media (morning, March 19, led by Johannes Zutt)
- Site visit to Karkare (afternoon, March 19, led by Jie Tang)

Below are highlights from the various events held during the site visits.

2.1.1 Consultation with the Struggle Committee Members and Affected Peoples (morning, March 18, led by Jie Tang)

The first consultation with the Struggle Committee on March 18 was held without incident. The Struggle Committee members and APs raised their concerns about the Project's adverse impacts and submitted their letter to the Bank team with their demands. The Struggle Committee was firm in its desire to focus on the seven key demands listed below to help solve the issues in Sindhuli.

- (i) The project implementation agencies as well as other concerned stakeholders should inform the Struggle Committee and get prior approval for any kind of visit to the project sites.
- (ii) The current transmission line alignment has to be rerouted as it passes through important places affecting schools, temples, a historical site (Sindhuligadi) and religious sites (Kamalamai and Bhadrakali temples) as well as the B.P. highway, and results in land and property losses for indigenous and marginalized poor people. If rerouting is not possible, the transmission line should be constructed underground.
- (iii) If rerouting is not possible, the whole community should be resettled and compensated with equal amount of land of similar type so as to mitigate the adverse impacts on the people.
- (iv) The APs should be adequately educated and informed about project impacts (both positive and negative), specifically the adverse impacts on health and any hazards, along with safety measures, by concerned specialists from formal and recognized agencies by means of written documents provided to the Struggle Committee and APs.
- (v) Significant religious and historical sites of the district affected by the transmission line should be conserved, so that adverse impacts are minimized.
- (vi) Benefits from the project should be shared with the community.
- (vii) Cabinet decision should be announced mentioning Sindhuli as a load shedding-free area.

In addition to these seven demands, the Struggle Committee also emphasized: the need to involve the LAHURNIP in all consultations in future; the need for independent experts; and in order to win the trust of the local people, the need for all policies related to project implementation to be provided in the local language (not only Nepali but also in Magar, Tamang and Majhi language). At the end of the meeting, the LAHURNIP representative noted that the Bank/NEA visit was positive and the Struggle Committee agreed on the agenda of the visit.

2.1.2 Open Consultations in Disputed Site with APs and Struggle Committee Members (Afternoon, March 18, led by Johannes Zutt)

The team held a public consultation in one of the disputed sites (Thulitar) where the APs had been holding a sit-in protest for several weeks on a tower pad site itself in a bid to thwart the construction works by the project. About 150–200 people attended the consultation in Thulitar. The following are the main observations regarding the consultation:

- The consultation was initiated by Johannes Zutt with the objective of disseminating clear messages about the project and its potential impacts on people and their livelihoods.
- APs raised issues and concerns about the project's potential impacts on their properties (land, houses, crops) and health, which were addressed by the team.
- The APs were adamant about not allowing the transmission to pass through their land, as it would depreciate their land values significantly, even if they were paid 100% of land value within the ROW.
- The team endeavored to inform the people about the project's direct and indirect impacts, providing them with various communication materials.
- Some APs accused the team of providing communication materials that were untrue.
- The APs also expressed grave concerns about how the Project Manager carried out the work, with the support of the local administration and armed police forces.
- Project staffs were also charged with discrimination regarding valuation of land and payment of compensation.
- The crowd became angry and at times unruly, sometimes targeting the team members. Order was somewhat established through the persuasive efforts of some committee members, creating an environment for the dialogue to continue.
- A few members of the Struggle Committee and the APs used abusive language, attempting to halt the consultation process on March 18, and explicitly threatening the Bank team should they attempt to visit again in future. It appeared also that a few members sought to agitate the crowd, dictating to APs what issues to raise and preventing some APs, who wanted to discuss problems they were facing, from speaking.

2.1.3 Walk-through along Transmission Line Route and Observations

The team conducted a walk-through of the disputed section (about 3.5 km) of the transmission line ROW from Bardeutar to Majhitar and near Thulitar, all within the Kamalamai Municipality. Individual APs with land and houses within 15 meters of either side of the ROW centerline (30 meters in total) were openly engaged in discussion. All concerns expressed by the APs during the walk-through are summarized below.

- The road construction plan in the transmission line ROW was not sought by the APs and the Struggle Committee. Rather, it was a preconceived plan of different interest groups, namely, a few APs (those who are outsiders), the local administration and the project. Further, they said that majority of the APs were not interested in the feeder road and instead asked for the transmission line to be re-routed, and that those people who purchased the land plots for investments have asked for 100% compensation and have already accepted the compensation;
- Police force was used during the land survey for the road within the ROW and therefore, APs doubt the authenticity of the land parcels and house structures delineated within the ROW;
- Some APs expressed their dissatisfaction over the way the ROW was measured, which meant that some persons impacted by the project (namely, those outside the declared ROW) were excluded (ineligible) to receive entitlement/ compensation;
- The valuation of affected land within the ROW was unfair as it did not involve the representatives of the APs and the Struggle Committee;
- No common policy was deployed for compensation to APs; there was notable discrimination in implementing the compensation on the part of project staff and Compensation Determination Committee (CDC) members.

2.1.4 Interactions with Media (Morning, March 19, led by Johannes Zutt)

The Bank team along with the NEA held a consultation with over 120 members of the media, political party leaders and local people, in order to disseminate project information on a larger scale. The outcomes of this meeting were as follows:

- Media representatives raised serious concerns about the dissemination of the Environmental Impact Assessment report or questioned the credibility of the report.
- A media representative also noted that the Bank should allow the government to proceed with the project's construction if it wishes to do so.

During the media consultation on March 19, the president of the Struggle Committee told the Country Director that the Bank should not come to Sindhuli if it was unable fully to accommodate the demands of the Struggle Committee. In addition, he repeatedly disrupted efforts to continue the meeting and made explicit threats to use force against Bank staff if they made any future visits.

2.2 Distribution of IEC Materials and Reactions

The Bank and NEA team jointly distributed IEC materials to people in a number of villages along the transmission line route and also to participants who attended the public consultations. These materials contained information about the project, generic benefits of the project to the people, the range of electromagnetic fields and likely impacts on health and a few typical examples of the same scale of transmission lines in other countries. These materials were distributed in the following locations.

- Majhitar Village, Ramechhap District (jointly by Bank and NEA team);
- Khurkot Village, VDC, Sindhuli District (jointly by Bank and NEA team);
- Bhadrakali Village, VDC, Sindhuli District (jointly by Bank and NEA team);
- Thulitar Village, Kamalamai Municipality, Ward 7, Sindhuli District (jointly by Bank and NEA team);
- Karakare Village, Kamalamai Municipality, Ward 7, Sindhuli District (jointly by Bank and NEA team);
- Dhanusa District (NEA team); and
- Mahottari District (NEA Team).

APs in particular and other people in general showed serious concerns regarding the materials distributed to them. Their overall reaction was negative and was expressed as follows.

- Few who had the contents of the IEC materials explained to them believed them to be true. Some alleged that the materials contained false information with the intention of cheating them.
- People also charged that the basic information, including about the project itself, had never been disseminated to them before the start of the construction work (this was in fact a problem of NEA's working culture).
- Some people who held positive views towards the project urged that this and similar other information be disseminated to the people through credible sources (public media, magazines, government sources, etc.) on a continuous basis.

- Some APs mentioned that they were well aware of the details of the project and such communication materials were not required.
- During the walk-through, it became apparent that a number of APs had been instructed by some members of the Struggle Committee to refuse the communication material with threat of reprisal. This included women and children, who either refused to receive the communications materials or who took them and then destroyed them in the presence of the Bank-NEA team and the accompanying Struggle Committee members. Some APs advised the Bank team to bypass the Committee and put the project information into publicly-available media so that they could access it without fear.
- Some people concluded that the inability of the project to face the public and respond to their concerns and queries was evidence of the project's adverse impacts; and
- Some APs and Struggle Committee members felt that for APs to visit and be exposed to projects of similar scale in other countries would allow them to better understand the project's impacts.

2.3 Wrap-Up meeting with the Struggle Committee (evening, March 19, led by Jie Tang)

On the evening of March 19, a wrap-up meeting was held with the Struggle Committee. The summary was as follows:

- There was a clear message that the APs wanted the transmission line to be rerouted.
- The NEA and Struggle Committee agreed to work out an action plan based on the seven demands put forward by the Committee and identify a responsible agency and timeline to meet the actions. A table will be prepared to reflect these.
- Based on the table and actions, the next consultations can be scheduled.

3. OUTCOMES OF THE CONSULTATIONS AND SITE VISITS

The overall outcomes of the consultations with different groups and site visits by the Bank and NEA team were mixed, with limited positive outcomes. Moreover, the issues raised by the APs and the Struggle Committee appear to be intertwined and sometimes confused, making it difficult to assess them individually. Nevertheless, the following outcomes were achieved by the Bank team visit to the site.

- Informed consultations held with the Struggle Committee members about project;
- IEC materials distributed to the APs in major settlements along ROW alignment;
- Information disseminated and shared with the people about the project's impacts (both adverse and beneficial);
- Interactive meetings held to share information with key stakeholders, such as local leaders and media; and
- APs grievances related to the project's impacts were heard directly.

4. KEY ISSUES AND ACTIONS

The Bank team, upon receiving the feedback from the site visit and consultations with the APs, reached the following conclusions:

- Some landholders of plots within the Sindhuli ROW are likely to reject compensation under any reasonable terms, and some may even reject any effort to negotiate terms; hence the government will likely need to exercise eminent domain to acquire all plots required to construct the transmission line.
- Any further works on the project will be challenging because of past lack of transparency and poor communication and consultations.
- The NEA/Project staff lost the trust of the APs and general public in the area, and that mistrust between is growing.
- There are different interest groups among the APs (directly affected and indirectly affected). The indirectly affected people with properties (land and house) beyond the ROW are putting pressure on the directly affected peoples not to accept the compensation and to continue opposing the project and demanding compensation for lands beyond the ROW.
- Health issues resulting from the 220 kV TL were cited in some instances as a reason for seeking compensation.
- The community is a mosaic of all caste and ethnic groups living in close harmony for generations, and non-indigenous peoples and Dalits are also equally affected by the Project.
- The project's compliance with safeguard measures, especially the compensation payment and resettlement and rehabilitation assistance, has not been satisfactory (due to delays, poor transparency, discriminatory actions, etc.), despite repeated suggestions by the Bank team to address these.

Future actions, based on field findings and suggestions of the Struggle Committee members and other stakeholders, towards resolving the issues and breaking the current deadlock are provided briefly in the following table.

Table 1: Khimti-Dhalkebar 220 kV TL Project: Key Issues and Actions Required, March 2014

S.No.	Participants in Consultations	Issues/ Grievances Raised	Actions/ Suggestions	Responsibility
1	Struggle Committee Members and Affected People (APs)	<ul style="list-style-type: none"> No consultations held with APs right from the design stage; No prior information about Project's impacts (health, land loss by towers/ROW); Fear/ risk of high voltage TL (adverse impacts on health of pregnant women, children and other people) in absence of proper information); No consultations with the Struggle Committee on ROW land purchase (imposed by the collusion of few APs, Project and local administration); No transparency in determining compensation rates of ROW land (full purchase section); Use of armed force for land survey in ROW for full compensation; Discrimination in compensation payment; and Poor social planning and implementation to address the issues of people's livelihoods; and Issue of Indigenous Peoples (IPs), poor and Dalits who may suffer equally due to the Project. 	<ul style="list-style-type: none"> Set up the Project Office in Sindhuli (disputed area) and continue consultations/ dialogues with the APs and Struggle Committee. Provide prior information to the Struggle Committee members before carrying out any project related works; Disseminate full information about Project's impacts on health with all safety measures that are taken into account by the Project; Find out alternatives, if any, to shift the TL alignment to avoid the losses (seems very difficult); Provide detailed information to the APs about Project impacts (adverse impacts on health due to electromagnetic waves along ROW i.e., how far away people are impacted?); Organize field visit by representatives of Struggle Committee and APs to projects in other countries of similar nature/ size; Implement social safeguard measures as per updated plans (compensation, R&R assistance) and VCDPs. 	The Project Project/ Health Experts Government/ Project Consultant
2	Swiss School, Thulitar	<ul style="list-style-type: none"> School likely to be closed if the TL is constructed (parents would stop sending children to the school); No authentic information about health impacts to the students who will be playing/ studying in the school which is close to the TL. 	<ul style="list-style-type: none"> Provide adequate and authentic information on health related impacts to the people so that the parents continue to send their children to the school without any fear or hesitation; and Provide support to school as part of VCDP. 	The Project/ Health Experts
3	Local leaders/ Media representatives	<ul style="list-style-type: none"> Inadequate coordination of the Project with the local stakeholders/ leaders; Adverse impacts on nationally important historical site like Sindhuligadi; Load shedding is a major problem contributing to increased gaps between Project and APs. 	<ul style="list-style-type: none"> Project to resolve the issues of APs and continue project works; Provide support to conserve and rehabilitate the Sindhuligadi; Make the area load shedding free to create enabling environment for dialogue with APs. 	Local Administration The Project

Persons Met during Field Visit

Table 1: Struggle Committee Members and Affected Peoples (APs) participating during Consultation (March 18-19, 2014)⁶

S.No.	Name of the Participants	Position	Remarks
1	Surendra Swor Moktan	Chairman	Also AP
2	Ukta Bahadur Thapa	Vice Chairman	Also AP
3	Gokul Bhujel		
4	Sanu Maiya Rajbhandari		Also AP
5	Parbati Shrestha		
6	Ganga Karki	Struggle Committee (SC) member	
7	Sabita Khadka		
8	Narayan Bdr. Thapa	SC member	
9	Surya Bahadur Khadka	SC member	
10	Deep Bahadur Karki	SC member	
11	Ganesh K C		
12	Man Bahadur Magar		
13	Hem Shankar B. K.		
14	Manoj Kumar Pradhan		
15	Tirtha Bahadur		
16	Rudra Bahadur Khatri	SC member	
17	Chatra Tamang	SC member	
18	Uttam Bahadur Gurung		
19	Ganesh Man Shrestha		
20	Yam Bahadur Karki	SC member	
21	Dirgha Karki		
22	Milan Budhathoki		
23	Krishna Bahadur Thapa Magar		
24	Min Bahadur Shrestha		
25	Manoj Pradhan	SC member	Also AP
26	Laxmi Budhathoki		Also AP
27	Shanti Bahadur Thapa		Also AP
28	Ganga Shrestha		Also AP
29	Rid Man Pradhan		Also AP
30	Purna Bahadur Ghising		Also AP
31	Nirmala Kumari Kami		Also AP
32	Nir Maya Gurung		Also AP
33	Pashupati Pradhan		Also AP
34	Rup Lal Syangba		Also AP
35	Sanjay Lama		
36	Nasib Narayan Singh		Also AP
37	Renu Kumari Budhathoki		Also AP
38	Ambika Thapa		Also AP
39	Anil Thapa		
40	Buddham Ghalal		
41	Heli Maya Ghising		
42	Kesari Maya Syangtang		

Table 2: List of Media Representatives, Struggle Committee Members and Leaders in Media Meeting

S.No.	Name of the Participants	Position
1	Shankar Shova	Journalist
2	Raj Kumar Karki	Journalist

⁶ This is an incomplete list, as not all meeting participants consented to providing their names.

3	Krishna Uprety	Journalist
4	Kesh Bahadur Ghimire	Journalist
5	Surendra Swor Moktan	President, SC

Pictures of the Field Visit



Local Participants at Mass Public Consultation



Local Participants at Mass Public Consultation



Press Meet



Press Meet



Communication Material Distribution in Sindhuli (VDC)



Consultation Meeting with Struggle Committee



Consultation Meeting with Struggle Committee



Field Visit by the Bank and NEA team (Panasi Village)