Resolution Report for the Case at
Dordi-1 Rural Municipality
Udipur-Markichowk-Bharatpur TL under Marsyangdi Corridor

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1. Background
The Government of Nepal has received a loan from the European Investment Bank (EIB) towards the Construction of 220 kV Transmission Line and Substation in Marsyangdi Corridor through Nepal Power System Expansion Project, which is part of the South Asia Sub-regional Economic Cooperation (SASEC) Power System Expansion Project. Nepal Electricity Authority (NEA), is an Executive Agency (EA), has planned to construct the Marsyangdi Corridor (Udipur-Markichowk-Bharatpur) 220kV Transmission Line (TL) Project (hereinafter “the Project”) utilizing the loan received from European Investment Bank (EIB). The TL project aims to evacuate the hydropower generated in the Marsyangdi River basin and its tributaries and connect to the national grid. The proposed project is located in Gandaki Province of Western Nepal. It starts from Udipur of Lamjung district and ends at Aptari of Chitwan district. The project location is shown in Fig-1.

Figure 1-1: Project Location Map

2. EIB’s Safeguard Policy

Standard (6): Involuntary Resettlement
People whose livelihoods are negatively affected by a project should have their livelihoods improved or at minimum restored and/or adequately compensated for any losses incurred. As such,
where physical or economic displacement is unavoidable, the Bank requires the promoter to develop an acceptable Resettlement Action Plan. The plan should incorporate and follow the right to due process, and to meaningful and culturally appropriate consultation and participation, including that of host communities. All affected persons shall be paid fair compensation in good time for expropriated assets.

The promoter is required to offer to the affected persons an informed choice of either compensation in kind (land-for-land; land plot and house to replace affected land plot and house) or monetary compensation at the outset. The promoter is expected to comply with the choice stated by the affected persons. Whenever replacement land is offered, affected households should be provided with land for which a combination of productive potential, locational advantages, and other factors is at least equivalent to the advantages of the land taken. In exceptional cases when this is not possible, adequate compensation must be provided. Monetary compensation shall consider full replacement cost based on market value, productive potential, or equivalent residential quality, including any administrative charges, title fees, or other legal transaction costs.

**Standard (10): Stakeholder Engagement**

As a public institution, the EIB actively promotes the right to access to information, as well as public consultation and participation; the right to access to remedy, including through grievance resolution, is equally acknowledged and actively promoted by the EIB. Standard 10 affirms the EIB’s expectation that promoters uphold an open, transparent and accountable dialogue with all relevant stakeholders at the local level targeted by its EIB operations. This Standard stress the value of public participation in the decision-making process throughout the preparation, implementation and monitoring phases of a project. Specific objectives arising there from for the promoter amount to:

- Establish and maintain a constructive dialogue between the promoter, the affected communities and other interested parties throughout the project life cycle;
- Ensure that all stakeholders are properly identified and engaged;
- Engage stakeholders in the disclosure process, engagement and consultations in an appropriate and effective manner throughout the project lifecycle, in line with the principles of public participation, non-discrimination and transparency;
- Ensure that the relevant stakeholders, including commonly marginalized groups on account of gender, poverty, educational profile and other elements of social vulnerability, are given equal opportunity and possibility to voice their opinions and concerns, and that these are accounted for in the project decision-making; and,
- Duly verify and assess that the quality and process of engagement undertaken by third parties on the project conform to the provisions included in the present standard.
3. **Description of the incident on 26th / 27th April and 1st May 2022**

Marsyangdi corridor 220 kV is fully aware of the EIB guidelines and EU policies that are being implemented during the project's construction phase. There are total 16 affected HHs for the 23 plots (plot no 852, 898, 849 and 870 are additional plots which was not published in land acquisition notice) for tower pad among them 3 HHs are remaining for compensation whereas there are 55 affected HHs for 100 plots along RoW in that area out of which 2 HHs have been paid and remaining plots are in process to get the compensation. Some PAP members tried to pull the rope that was fastened to a worker's body while they were climbing Transmission tower in Lamjung District to complete conductor stringing work on April 26 and 27, 2022. After this incident local police arrived at the site to persuade the PAP not to hinder the laborers and to consult with the Project Officials. Some PAPs (major names were [Redacted]) cut the pilot wire on May 1, 2022 which is used for conductor stringing. The PAP also damaged the Project's vehicle and misbehaved to the driver. The driver's hand was fractured during the incident, and he was taken to a nearby hospital. Additionally, PAP threatened project staffs and workmen to halt conductor stringing works. As a result, local police arrived at the incident area and try to convince the PAP to resume conductor stringing work. However, the PAP created conflict with police and three people were charged. The local police crew were called at incident site to stop argument between the workers and the PAP and to ensure that both the workers and the construction material were kept safe.

The PAP demanded that the RoW Land should be paid 100 percent compensation and that the RoW should be fixed from 30 to 100 meters. The conductor stringing should be totally halted before the Project can meet the requirements of the PAPs. Presently, PAPs of Lamjung district are receiving compensation from the project for land, crop, and tree damage under RoW Land.

4. **How the Case was solved?**

   a) Consultation with the PAP along with Project Manager at Project office
   b) Health checkup of the injured PAP at HAMS hospital in Kathmandu and total medical cost paid by the project
   c) Regular consultation with PAP at the site by the project.
   d) The PAPs were released from the custody on the same day without filing a FIR or a complaint.
   e) Meeting with DORDI villagers by NEA on May 23, 2022 at NEA head office, Kathmandu under the chairmanship of Managing Director and the following decision were concluded to resume the halted construction activities of TL as well. (*Attached in annex III*)

   i. The stringing work of from AP 32 (Archalbot to AP 33/E) should be continue with careful and safely.
   ii. The valuation of crops under ROW in this area should be negotiated and decided immediately before stringing the halted works of TL.
   iii. The restriction for collateral under the ROW should be approached by NEA to build up the policy.
iv. The project should prepare a long-term management plan to address the issues and grievances of the affected people as well.

5. Consultation and MOM at Dordi Village on MOM with DORDI villagers (ward 1 and 2) by NEA/Project on 2079/3/4 (17th June, 2022) at Dordi, Archalbot Village, Lamjung. The combined meeting has made the following decisions:

I. The crop loss under ROW shall be calculated for two years, because the project activities have been carrying out for two years and the valuation of crop loss shall be verified by the respective technical team and need to be decided by CDC.

II. All the participants in the meeting and both parties PAPs and Project) decided to resume the hindered TL activities under ROW as the project has already decided to bear/pay the crop loss for two years to the PAPs.

III. The project agreed to activate at least one CSR program in Dordi village area in coordination with the PAPs, local community and the plan shall be recommended by the respective ward.

IV. The project shall include and record for the remained land plots under ROW which are not included in previous project’s record.

V. The project shall communicate with Ministry of Energy to approach the Government of Nepal for the long term Royalties. The project shall also follow to the ministry to release the land use restriction under ROW.

VI. The remaining ROW land plots that are not listed in the project's records must be recommended by the corresponding wards.

VII. The PAP Mrs. [redacted], Dordi-1, was hurt in the incident during the stringing and was treated in Kathmandu after the casualty occurred, but she is still not fully recovered. As a result, the project will guarantee her treatment and pay for her necessary treatment up until she is fully recovered.

6. Conclusion
Accordingly, to our knowledge, the problem has been resolved as a result of numerous meetings with the locals and PAPs and earnest efforts to settle it so that the Transmission Line's hindered work was resumed. The Managing Director of NEA presided over a meeting with DORDI villagers at the NEA headquarters in Kathmandu on May 23, 2022. NEA/Project held a consultation and meeting with PAPs on June 17, 2022 and subsequently, MOM with DORDI villagers (wards 1 and 2) at Dordi, Lamjung. The case has been resolved, and remaining TL construction work is still ongoing.
Annexures