

## SUMMARY OF COMBINED RESETTLEMENT AND INDIGENOUS PEOPLES PLAN

### Himachal Pradesh Clean Energy Transmission Investment Program (Tranche 3)

*The Resettlement Plan (xx total pages) and is available at <http://www.adb.org>*

#### A. INTRODUCTION AND PROJECT BACKGROUND

1. The Government of Himachal Pradesh (GoHP) through the Government of India (GOI) has requested Asian Development Bank (ADB) to provide a multi-tranche financing facility (MFF) to partly fund the Himachal Pradesh Clean Energy Transmission Investment Program (HPCETIP) in the state of Himachal Pradesh (HP) and the program is under implementation. HP Power Transmission Corporation Limited (HPPTCL) is both the Executing Agency (EA) and Implementing Agency (IA) for the project. Based on the nature, scale and significance of expected impacts, Tranche 3 under the investment program has been classified as Category "B" for impact on Involuntary Resettlement (IR) and "B" for impact on indigenous peoples (IP)<sup>1</sup> as per ADB's Safeguard Policy Statement (SPS), 2009. This is a summary of the Combined Resettlement and Indigenous Peoples Plan (RIPP) for tranche-3 subprojects. The RIPP is based on the detailed route alignment survey and design. However, any changes in the alignment or subproject sites will be assessed prior to start of construction for that particular stretch and accordingly, the same will be finalized and updated in the RIPP. The Tranche-3 of HPTCIP subprojects, having physical components, consists of 4 proposed new substations/pooling stations and 5 transmission lines which are as follows.

#### 1. Construction of Substations

- i) 66/22 kV ,2x10 MVA GISS at Nirmand (Bagipul).
- ii) 132/220 kV, 2x80/100 MVA substation at Mazra(Distt.Chamba).
- iii) 220 kV Poolingsubstation at Hatkoti
- iv) 220 kV Pooling substation at Barsaini

#### 2. Construction of Transmission Lines

- i) 66 kV D/C transmission line from 66/22 kV GISS Nirmand to 66/220 kV Kotla Substation (24 kilometers)
- ii) 400kV D/C transmission line (Twin Moose) from 400/220 kV, 2x315 MVA Lahal GISS to 400/220 kV Chamera Pooling station of PGCIL (39 kilometers)
- iii) 220 kV D/C transmission line from 132/220 kV GISS Mazra 33/220 kV Karian ( 18 kilometers)
- iv) 220 kV D/C transmission line (Twin Moose) from Bhajoli Holi HEP to 400/220 kV Lahal GISS (17 kilometers)
- v) 132kV D/C transmission line from Barsaini to Charor (34 kilometers)

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<sup>1</sup> There is no physical displacement in tranche-3 subprojects and no indigenous peoples will be displaced. The impacts are limited to the transmission lines where some section of lines in the sub tehsil of Bharmour of Chamba district will pass through the designated/notified tribal area). All the losses related to tower footings and right of way will be compensated in due consultation and consent with the affected persons including the indigenous people. The indigenous peoples are not the distinct tribal groups as they follow the normal socio-cultural activities and are mainstreamed. A separate socio economic profile has been prepared for the indigenous people and consultations have been carried out among the indigenous people and has been incorporated in the RIPP

## **B. IMPACT ON LAND ACQUISITION, INVOLUNTARY RESETTLEMENT AND INDIGENOUS PEOPLES**

2. The impacts are categorized as two types such as permanent and temporary. Permanent impacts will occur due the land requirements for substations, tower footings and loss of private trees. Temporary impacts are foreseen in terms of loss of crops along the right of way during the construction of transmission lines. There is no involuntary resettlement and no physical displacement in tranche-3 subprojects. Land requirement for substations is minimal and all the lands required for substations are being acquired through negotiated settlement and willing buyer-and willing seller mechanism without enforcing the eminent domain.

3. There are 4 proposed substations out of which one will be built on government land at Hatkoti which does not require land acquisition and the remaining 3 are proposed to be on private land for which land is being acquired through negotiated settlement and willing buyer and willing seller mechanism. The total land required for the 4 proposed substations/pooling stations will be 3.80 hectares (ha), of which 0.8 ha is government owned land at hatkoti and 3 ha of private land (1 ha for Barsaini s/s, 0.6 ha for Bagipul s/s and 1.4 ha for Mazra s/s). All the land is being acquired through negotiated settlement and through obtaining consent from the land owners and the negotiation has been complete. There is no physical displacement and no involuntary resettlement. There are no informal settlers and non titled persons associated with the land for proposed new substations. Total number of affected households where land is being acquired through mutual negotiation is 16.

4. There are five proposed transmission lines which will have both permanent and temporary impacts. There will be a total of approximately 435 towers of various sizes depending on the voltage of line of which 168 numbers of towers are proposed on private land and 267 are proposed on government/forest land. It is estimated that a total of 15.25 hectares of land will be required for tower footings of which 7.03 hectare is private land and 8.22 hectare is government. Land for each tower to be placed on private land will be purchased and the land value will be paid to the affected persons. It is estimated that approximately, 148 numbers of households will be affected due to loss of small parcels of land for tower footings. Additionally 382 numbers of trees will also be affected. 6 numbers of small huts are affected which are associated with the land and are being used as small storage of agricultural husk. These are temporary in nature and nobody lives in these huts.

5. There will be temporary impacts during the construction of transmission line especially along the right of way which will be limited to loss of one season of crops. The impacts along the right of way are minimal in hilly areas as most of the towers and lines will pass from one hill top to another. However loss of crops will still occur and the exact loss will be known during the construction. A preliminary assessment has been done to estimate the total area for crop loss which is 181.27 hectares. Approximately 286 fruit trees will be affected along the right of way of transmission lines.

6. The major tribes of Himachal Pradesh are (1) Bhot, Bodh, (2) Gaddi (Excluding the territories specified in sub-section (1) of section 5 of the Punjab Reorganization Act, 1966 (31 of 1966), other than the Lahaul and Spiti district),(3), Gujjar (excluding the territories specified in sub-section (1) of Section 5 of the Punjab Reorganization Act, 1966 (31 of 1966), (4) Jad, Lamba, Khampa, (5) Kanaura, Kinnara, (6) Lahaula, (7) Pangwala, (8) Swangla, (9) Beta, Beda and (10) Domba, Gara, Zoba. The STs in Himachal Pradesh are not distinct tribal groups since they are mainstreamed into society, accepting of other socioeconomic and cultural practices.

7. As specified by the Scheduled Areas (Himachal Pradesh) Order, 1975 (Constitution Order 102) dated 21.11.1975, some districts of Himachal Pradesh have been declared as scheduled area which are (i) Lahaul and Spiti district, (ii) Kinnaur district and (iii) Pangji tehsil and Bharmour sub-tehsil in Chamba district. Some of the components under tranche-3 (part of (i) 400kV D/C transmission line from Lahal GISS to Chamera Pooling station and (ii) 220 kV D/C transmission line from Bhajoli Holi HEP to Lahal GISS) fall under Bharmour sub-tehsil of Chamba district which are scheduled area. Tribal and non-tribal communities have lived side-by-side leading to acculturation and assimilation to mainstream societies. Many STs no longer keep their traditions/cultures and individuals and groups of STs have settled amongst non-tribal populations. Bharmour sub-tehsil of Chamba district has been categorized as scheduled area, however, the people in Bharmour sub-tehsil are not typically indigenous as far as their socio-cultural and occupational pattern is concerned. As the transmission lines go through some designated and notified scheduled tribe areas, approximately 39 numbers of towers will be placed on private land belongs to the notified area and may impact approximately 39 numbers of affected IP household. Socio-economically, they are involved in apple cultivation and other agricultural activities. Assessment of Tranch-3 subprojects included consultations with local people and separate social assessment of the notified area where line will pass through and the consultations will be continued further. An IPPF and a RF have been prepared for the MFF where STs are considered to be vulnerable groups who have eligibility for special assistance in addition to compensation.

8. Total number of affected households is 164. There is no physical displacement and nobody will be severely affected. Total number of vulnerable households is 49. Impacts on IR and IP for each subproject are summarized in Table-1.

**Table 1: Subproject Wise Summary Details on IR and IP impacts (Tranche-3)**

#	Name of the Subprojects	Impact on Land Acquisition and Involuntary Resettlement	Impact on Indigenous Peoples	Remarks
<b>S</b>	<b>Sub Stations</b>			
<b>S-1</b>	66/22 kV ,2x10 MVa GISS at Nirmand (Bagipul).	0.6 hectare of private land will be acquired through negotiated settlement and willing buyer and willing seller mechanism. Only one household will be affected by the negotiated settlement.	Nil	No physical displacement is foreseen and no involuntary resettlement will trigger.
<b>S-2</b>	132/220 kV, 2x80/100 MVA substation at Mazra(Distt.Chamba.	1.4 hectare of private land will be acquired through negotiated settlement and willing buyer and willing seller mechanism. 14 households will be affected by the negotiated settlement.	Nil	No physical displacement is foreseen and no involuntary resettlement will trigger.
<b>S-3</b>	220 kV Poolingsubstation at Hatkoti	This is a government owned land (0.8 hectare) and HPPTCL will get the land transferred from the concerned department.	Nil	This is a government land free from all encumbrances and without having any informal settlers.
<b>S-4</b>	220 kV Pooling substation at Barsaini	0.96 hectare of private land will be acquired through negotiated	Nil	No physical displacement is

#	Name of the Subprojects	Impact on Land Acquisition and Involuntary Resettlement	Impact on Indigenous Peoples	Remarks
		settlement and willing buyer and willing seller mechanism. Only one household will be affected by the negotiated settlement.		foreseen and no involuntary resettlement will trigger.
<b>T</b>	<b>Transmission Lines</b>			
<b>T-1</b>	66 kV D/C transmission line from 66/22 kV GISS Nirmand to 66/220 kV Kotla Substation (24 kilometers)	<ul style="list-style-type: none"> <li>• Total number of towers= 68</li> <li>• Number of Towers on Private Land=29</li> <li>• Private land area being affected by tower footings=0.19 ha</li> <li>• Number of Trees being affected by tower footings=31</li> <li>• Number of temporary sheds/huts=0</li> <li>• Number of Affected households by tower footings=24</li> <li>• Area being affected temporarily along Right of way for crop compensation=18.6 ha</li> <li>• Number of trees being affected along the RoW=41</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• Land for tower footings will be compensated in terms of land value as per market rate.</li> <li>• Additionally, loss of crops and trees will also be compensated</li> </ul>
<b>T-2</b>	400kV D/C transmission line (Twin Moose) from 400/220 kV, 2x315 MVA Lahal GISS to 400/220 kV Chamera Pooling station of PGCIL (39 kilometers)	<ul style="list-style-type: none"> <li>• Total number of towers= 114</li> <li>• Number of Towers on Private Land=60</li> <li>• Private land area being affected by tower footings=5.40 ha</li> <li>• Number of Trees being affected by tower footings=178</li> <li>• Number of temporary sheds/huts=1</li> <li>• Number of Affected households by tower footings=64</li> <li>• Area being affected temporarily along Right of way for crop compensation=95.1 ha</li> <li>• Number of trees being affected along the RoW=32</li> </ul>	<ul style="list-style-type: none"> <li>• Part of the line will pass through Bharmour sub-tehsil of Chamba district which is a notified tribal area.</li> <li>• Approximately 20 towers will be placed on the notified area</li> </ul>	<ul style="list-style-type: none"> <li>• Land for tower footings will be compensated in terms of land value as per market rate.</li> <li>• Additionally, loss of crops and trees will also be compensated</li> <li>• Scheduled Tribes are not distinct in nature. Additional assistance will be paid to ST households</li> </ul>
<b>T-3</b>	220 kV D/C transmission line from 132/220 kV GISS Mazra 33/220 kV Karian ( 18 kilometers)	<ul style="list-style-type: none"> <li>• Total number of towers= 53</li> <li>• Number of Towers on Private Land=17</li> <li>• Private land area being</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• Land for tower footings will be compensated in terms of land value as per</li> </ul>

#	Name of the Subprojects	Impact on Land Acquisition and Involuntary Resettlement	Impact on Indigenous Peoples	Remarks
		<p>affected by tower footings=0.38 ha</p> <ul style="list-style-type: none"> <li>• Number of Trees being affected by tower footings=0</li> <li>• Number of temporary sheds/huts=0</li> <li>• Number of Affected households by tower footings=15</li> <li>• Area being affected temporarily along Right of way for crop compensation=20.2 ha</li> <li>• Number of trees being affected along the RoW=75</li> </ul>		<p>market rate.</p> <ul style="list-style-type: none"> <li>• Additionally, loss of crops and trees will also be compensated</li> </ul>
<b>T-4</b>	220 kV D/C transmission line (Twin Moose) from Bhajoli Holi HEP to 400/220 kV Lahal GISS (17 kilometers)	<ul style="list-style-type: none"> <li>• Total number of towers= 60</li> <li>• Number of Towers on Private Land=21</li> <li>• Private land area being affected by tower footings=0.47 ha</li> <li>• Number of Trees being affected by tower footings=29</li> <li>• Number of temporary sheds/huts=0</li> <li>• Number of Affected households by tower footings=19</li> <li>• Area being affected temporarily along Right of way for crop compensation=20.8 ha</li> <li>• Number of trees being affected along the RoW=36</li> </ul>	<ul style="list-style-type: none"> <li>• Line will pass through Bharmour sub-tehsil of Chamba district which is a notified tribal area.</li> <li>• Approximately 19 towers will be placed on the notified area</li> </ul>	<ul style="list-style-type: none"> <li>• Land for tower footings will be compensated in terms of land value as per market rate.</li> <li>• Additionally, loss of crops and trees will also be compensated</li> <li>• Scheduled Tribes are not distinct in nature. Additional assistance will be paid to ST households</li> </ul>
<b>T-5</b>	132kV D/C transmission line from Barsaini to Charor (34 kilometers)	<ul style="list-style-type: none"> <li>• Total number of towers= 140</li> <li>• Number of Towers on Private Land=41</li> <li>• Private land area being affected by tower footings=0.59 ha</li> <li>• Number of Trees being affected by tower footings=144</li> <li>• Number of temporary sheds/huts=5</li> <li>• Number of Affected households by tower footings=26</li> <li>• Area being affected</li> </ul>	Nil	<ul style="list-style-type: none"> <li>• Land for tower footings will be compensated in terms of land value as per market rate.</li> <li>• Additionally, loss of crops and trees will also be compensated</li> </ul>

#	Name of the Subprojects	Impact on Land Acquisition and Involuntary Resettlement	Impact on Indigenous Peoples	Remarks
		temporarily along Right of way for crop compensation=26.6 ha • Number of trees being affected along the RoW=102		

### C. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

9. Consultations were carried out with stakeholders during the preparatory safeguard due-diligence work. As an integral part of the safeguards planning process, affected persons and local communities were consulted during the preparation of Tranche 3 safeguards documents. Stakeholders were informed and consultation and disclosure of information will continue during the implementation of the project. Public consultations with the project affected communities, stakeholders, and government officials were carried out around the proposed transmission line/substations. HPPTCL will provide relevant resettlement information in a timely manner in an accessible place and in a form and language (Hindi/English) understandable to affected persons and other stakeholders. The draft and final RIPP will be disclosed on ADB's website and HPPTCL's website.

### D. GRIEVANCE REDRESS MECHANISM

10. Through its Environment and Social Safeguards Policy, HPPTCL has established a Grievance Redressal Mechanism (GRM) having suitable grievance redressal procedures for the project affected persons. The grievance redress mechanism would promptly address affected persons' concerns and complaints, using an understandable and transparent process that is gender responsive, culturally appropriate, and readily accessible to the affected persons at no costs and without retribution. The GRM consists of a Grievance Redressal Committee headed by a Project head and consists of the Head of Finance wing at the project level, a representative of local Panchayat and affected persons, a representative of the contractor, and project Environment and resettlement and rehabilitation (R&R) staff. Minor grievances will be raised and addressed at the PIU level. Grievances not redressed by the PIU staff (field level) will be brought to the Grievance Redress Committee (GRC) at the PMU level. The GRC will meet every month (if grievances are brought to the Committee), determine the merit of each grievance, and resolve grievances within a month of receiving the complaint. APs will have the right to approach

### E. POLICY AND LEGAL FRAMEWORK

11. The policy framework and entitlements for the Program are based on the national laws: - Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 (LARR) when private land acquisition is required; - and - ADB's Safeguards Policy Statement 2009. The resettlement policy principles also consider the HPPTL's policies, i.e, (i) Environment and Social Safeguard Policy, May 2011 (ESSP) and (ii) Resettlement, Relief, Rehabilitation and Compensation Policy, May 2011 (RRRCP). Additionally, the Electricity Act and the Indian Telegraph Ach have also been considered. Compensation for lost assets will be paid on the basis of replacement cost/market value. Resettlement assistance for lost income will be provided to both title holders and non-title holders. Special resettlement and rehabilitation measures will be made available to the

vulnerable groups. APs entitled for compensation provisions under the Project are as follows (i) APs who lose land covered by legal title/traditional land rights, or without legal status; (ii) registered / non-registered tenants and sharecroppers; (iii) owners of buildings, crops, plants, or other objects attached to the land; and (iv) APs losing business, income, and salaries. Compensation eligibility is limited by a cut-off date to be set for the subproject. For the legal title holder, the issuance of notification of LA Act will serve as the cut-off-date. For non-titleholder, the day of final census survey will serve as the cut-off-date. APs who settle in the affected areas after the cut-off date will not be eligible for compensation. They, however will be given sufficient advance notice, requested to vacate premises and dismantle affected structures prior to project implementation. Tranche-3 subproject does not require compulsory land acquisition, hence, does not enforce the land acquisition act. Land for substations will be acquired through negotiated settlement and through willing buyer and willing seller mechanism. Land for tower footings will be compensated as land value and additionally, loss of crops and trees and temporary sheds will be compensated as per market rate. Provision for additional assistance for vulnerable households has also been made in the entitlement matrix. Entitlement matrix is described in Table 2.

**Table 2: Entitlement Matrix**

Type of Losses	Definition of APs	Entitlement	Details
<b>Land</b>			
Loss of agricultural land <sup>2</sup>	<ul style="list-style-type: none"> <li>• Titled owners</li> <li>• affected persons (APs) with traditional land rights</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation based on market/replacement value</li> <li>• Resettlement assistance</li> <li>• Additional Assistance to vulnerable<sup>3</sup> APs</li> </ul>	<ul style="list-style-type: none"> <li>• Land to be possessed by the project authority with mutual and voluntary consent of the affected people, compensation will be paid on negotiated market price</li> <li>• Transaction costs (documentary stamps, registration costs, etc.) Will be borne by the project authority during registration.</li> <li>• If the residual plot(s) is (are) not viable, i.e., the AP becomes a marginal farmer, resettlement assistances will be paid in the form of transitional allowances based on three months of minimum wage</li> <li>• Additional allowances will be paid to vulnerable APs based on three months of minimum wage</li> </ul>
<b>Trees and Crops</b>			
Loss of Trees	<ul style="list-style-type: none"> <li>• Land holders</li> <li>• Share- croppers</li> <li>• Lease holders</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation at market value to be computed with assistance of horticulture department</li> </ul>	<ul style="list-style-type: none"> <li>• Advance notice to APs to harvest fruits and remove trees.</li> <li>• For fruit bearing trees compensation at average fruit production for next productive years to be computed at current market value.</li> <li>• For timber trees compensation at market cost based on type of trees.</li> </ul>
Loss of Crops	<ul style="list-style-type: none"> <li>• Land holders</li> <li>• Share- croppers</li> <li>• Lease holders</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation at Market value to be computed with assistance of agriculture department</li> </ul>	<ul style="list-style-type: none"> <li>• Advance notice to APs to harvest crops.</li> <li>• In case of standing crops, cash compensation at current market cost to be calculated of mature crops based on average production.</li> </ul>
<b>Temporary huts/Sheds for agricultural use</b>			
Loss of Temporary	<ul style="list-style-type: none"> <li>• Land holders</li> <li>• Share- croppers</li> </ul>	<ul style="list-style-type: none"> <li>• Compensation at market value</li> </ul>	<ul style="list-style-type: none"> <li>• Advance notice to APs to remove the sheds.</li> <li>• Compensation at market value</li> </ul>

<sup>2</sup> For substation land, HPPTCL will acquire the land through negotiated settlement and by paying the mutually agreed market rate for the land. For the tower footings, HPPTCL will pay the compensation in terms of land value for the affected area under tower footings to be placed on private land.

<sup>3</sup> women-headed households, scheduled tribe households, below poverty line households, households headed by physically handicapped or disabled persons and severely affected households (household losing more than 10% of productive asset)

Type of Losses	Definition of APs	Entitlement	Details
huts/Sheds for agricultural use	<ul style="list-style-type: none"> <li>Lease holders</li> </ul>		
<b>Government land and Property</b>			
Government Property (Loss of Land)	-	<ul style="list-style-type: none"> <li>Lump sum compensation as per government rules</li> </ul>	<ul style="list-style-type: none"> <li>Departmental transfer of land records and details.</li> </ul>
<b>Community and Cultural Sites</b>			
Religious structures, land, Community structures, trust, etc.	<ul style="list-style-type: none"> <li>Affected community</li> </ul>	<ul style="list-style-type: none"> <li>Conservation, protection and compensatory replacement (Schools, community centers, markets, health centers, shrines, other religious sites, places of worship, burial sites, rights to food, medicine, and natural resources)</li> </ul>	<ul style="list-style-type: none"> <li>Impacts will be documented and mitigated. Cultural properties will be conserved through special measures such as relocation in consultation with the community.</li> </ul>
<b>Temporary Loss</b>			
Temporary loss of land and temporary damage on loss of crops during construction	<ul style="list-style-type: none"> <li>All APs losing land and crops on temporary basis during the construction period of the lines</li> <li>Farming households</li> <li>Sharecroppers</li> <li>Tenants</li> <li>non-titled households</li> </ul>	<ul style="list-style-type: none"> <li>Notice to harvest standing crops</li> <li>Compensation at market value for one season</li> <li>Restoration</li> </ul>	<ul style="list-style-type: none"> <li>Compensation for assets lost at replacement value.</li> <li>Restoration of land to previous or better quality.</li> <li>Additionally, Cash Compensation will be paid for the temporary damage of crop under the RoW during the maintenance and repair after the construction. In case there is a need for repair or maintenance of the transmission lines in the future, the project authorities would consult with land owners for access to the land for maintenance and repairs, when necessary, and that the land owners would continue to use the land for farming activities.</li> </ul>
<b>Vulnerable Households</b>			
Impacts on vulnerable APs	<ul style="list-style-type: none"> <li>All impacts</li> </ul>	<ul style="list-style-type: none"> <li>Vulnerable APs</li> </ul>	<ul style="list-style-type: none"> <li>Additional assistance based on three months of minimum wage.</li> <li>Vulnerable households will be given priority in project construction employment where feasible.</li> </ul>
<b>Unanticipated Impacts</b>			
Other Impacts Not Identified	<ul style="list-style-type: none"> <li>Affected households or individuals</li> </ul>	<ul style="list-style-type: none"> <li>Compensation and assistance</li> </ul>	<ul style="list-style-type: none"> <li>Unforeseen impacts will be documented and mitigated based on the principles agreed upon in the resettlement framework.</li> </ul>

## F. INSTITUTIONAL ARRANGEMENTS

12. HPPTCL is both the EA and IA for the project. The Project Management Unit (PMU) at corporate level is headed by Deputy General Manager (DGM) (Planning) who will be assisted by DGM's from various functions – Administration and Finance, Projects Planning and Design, Procurement and Contracts, Environment and Social Cell and Projects Construction Units. Project Implementation Units (PIUs) at divisional level of the project construction unit are headed by DGM's at three locations –(Shimla), Chamba, and Sarabhai (Kullu). The Environment and Social Cell (ESC) at the corporate level monitors the policy and implementation of safeguards impacts of all projects managed by HPPTCL. The ESC Environment and R&R Officers assist PIUs in all safeguard aspects of the subprojects in compliance with HPPTCL's Environment and Social Safeguards Policy, May 2011. The ESC is also responsible for implementation of the Environmental Management Plan and Resettlement Plan for ADB funded subprojects. As per ADB's SPS 2009, PMU and ESC are required to

conduct regular monitoring of safeguards compliance of each subproject funded by ADB to ensure compliance with project covenants

#### **G. BUDGET AND FINANCING PLAN**

13. The resettlement cost estimate for this subproject includes eligible compensation, resettlement assistance and support cost for RP implementation and monitoring. These are part of the overall project cost. The total land acquisition and resettlement cost for the Tranche 3 subproject is estimated to be 342.77 million INR (equivalent to USD 5.27 million). The cost estimate is tentative and shall be updated. Land acquisition and resettlement costs will be considered as an integral component of sub-project costs. HPPTCL will make the funds available in its annual budget for the disbursement of compensation and assistance.

#### **H. IMPLEMENTATION SCHEDULE**

14. All land acquisition, resettlement, and compensation for each sub-project will be completed before the start civil works contracts for substations. All land required will be provided free of encumbrances to the contractor, prior to the start of civil works. However, for transmission lines, payment of compensation and construction will go simultaneously in phased manner. Public consultation, disclosure of information and implementation and performance monitoring will continue on an as needed basis during the duration of the project.

#### **I. MONITORING AND REPORTING**

15. Monitoring will be the responsibility of HPPTCL through its PMU/PIU and ESC. It will submit bi-annual monitoring reports to ADB for review. The extent and scope of monitoring will be commensurate with the nature and severity of the project's risks and impacts. ADB will require HPPTCL to establish and maintain procedures to monitor the progress of implementation of safeguard plans; verify the compliance with safeguard measures and their progress toward intended outcomes; document and disclose monitoring results; identify necessary corrective and preventive actions in the periodic monitoring reports; and follow up on these actions to ensure progress toward the release of entitlements and benefits. Monitoring reports documenting progress made on resettlement implementation activities, including completion reports associated with the resettlement plan will be provided by HPPTCL through its PMU to ADB for review on a semi-annual basis.

**SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY**

Country:	India	Project Title:	Himachal Pradesh Clean Energy Transmission Investment Program- Tranche – 3
Lending/Financing Modality:	MFF	Department/ Division:	South Asia Department / Energy Division

**I. POVERTY AND SOCIAL ANALYSIS AND STRATEGY****Poverty targeting: general intervention****A. Links to the National Poverty Reduction and Inclusive Growth Strategy and Country Partnership Strategy**

The project will finance transmission systems and improve reliability of the grid system. The tranche's impact will be increased electricity transmission in Himachal Pradesh. The outcome will be improved capacity of H.P. Power Transmission Corporation Ltd. (HPPTCL) to transmit electricity from hydropower generation sources within and outside of Himachal Pradesh and manage its operations. Power sector development is a key driver of economic growth and development in India. Access to clean and reliable energy increases agricultural, industrial and commercial productivity, enhances economic growth and contributes pollution reduction. Economic growth helps reduce poverty and improve quality of life, particularly for the most vulnerable segments of society. Adequate electric power supply is essential for achieving sustainable economic growth. It is also consistent with the India country partnership strategy (2013–2017) of the ADB that supports (i) clean and renewable energy expansion, particularly solar; (ii) transmission expansion at the state and central levels; and (iii) grid integration of renewable energy. The project's contribution to poverty reduction and social inclusion will primarily be indirect.

**B. Results from the Poverty and Social Analysis during PPTA or Due Diligence**

**1. Key poverty and social issues.** Himachal Pradesh is a "rich" state and considered as a model of mountain area development, with relatively low poverty rates. The success of the region is attributed not only to a prosperous rural economy and high levels of per capita government expenditure but also to focused public interventions, greater participation of women and strong local institutions. The project components have diverse socio-economic and poverty scenarios. As per the latest data (2011-12), the percentage of people living below the poverty line is 8.1% for Himachal Pradesh.<sup>1</sup> It is a proven fact that better access and efficient use of power is one of the key solutions to poverty. The project will help expand power supply across. This is expected to result in regional economic growth and development propelled by investment in industry and commerce; creation of new and diverse employment opportunities; improved living conditions for local people including the poor and vulnerable; and investment in basic infrastructure and social services for the poor and vulnerable.

**2. Beneficiaries.** The primary beneficiaries are the consumers of electricity in various places in Himachal Pradesh where project components will arise, as this project aims to facilitate the transmission of power from clean energy sources. They will include commercial, agricultural, industrial, and household consumers in Himachal Pradesh. The project will create future benefits during implementation in terms of (i) temporary and permanent jobs; (ii) economic investment and growth; (iii) improvement to basic infrastructure, including power and water supply.

**3. Impact channels.** The improved quality and reliability of power supply will help to reduce domestic demand for fossil fuel from international markets. The project's impact will be increased contribution of clean energy transmission.

**4. Other social and poverty issues.** A socio economic profile has been prepared through a sample socio economic survey. According to the sample survey, the average family size in the project area is 7 and the sex ratio of the project area 992 females per 1000 males. The overall literacy rate is 79 %, which is marginally lower than the state average of 82.2%. Among the males, this is about 89 %, and among the females the literacy rate is 74 %. About 91 % of the structures project area is of wooden made. Only 5 % are cemented houses and 3 % are thatched houses. All the households receive piped water. Flush toilets are available with 94 % of the households in the sub project area. Only 5 % of the households do not have any toilet facility at their households. Wood is the major source of fuel being used by the households for heating purpose as reported by 84 % of the households. All the households are electrified in the sub project area. The main source of electrification is government grid. Average years since the area has been electrified are 23 years. The average hours of availability of electricity are for more than 22 hours in a day. The households use electricity for a very limited and basic purpose like lighting and for entertainment. The average hours of consumption of electricity for lighting are 4.63 hours. Similarly 73 % of the households use electricity for running Television and music system and the average consumption is 4.6 hours. Only about 15 % of the households also use electricity for heating and cooling and the average hours of consumption is 3.12 hours. The average expenditure on electricity by the surveyed households is INR 473 per month. Besides electricity the households use other fuels like wood and gas as an alternate energy. Major economic activities of households are agriculture where all the families covered are engaged. The second most important economic activity is service in government and private sector which is reported by 41 % of the households. Only 8 % are engaged in business activity. Wheat, Dal, Maize and fruits

<sup>1</sup> Source- Government of India. *Report of the Expert Group to review the methodology for measurement of poverty.* Planning Commission, Government of India. 2014.

are major agricultural products for the households in the project area. Vegetables are cultivated by about 39 % of the households. All the crops are cultivated or produced once a year. Average household income reported to be INR 4,54,398. The total annual average expenditure per household is INR. 262,343 out of which the major expenditure is incurred on food (39.6 %) followed by expenditure on education (12.8%), and on inputs for agriculture (12.5%). only 11% of the households have reported that they have taken loan.

**5. Design features.** The project is classified as a general intervention and is expected to have an indirect and positive impact on peoples accessing energy from the grid. No critical or adverse impacts of an irreversible manner have been identified. The project will have indirect impacts on India as a whole. While the project will improve the power supply system, it will also indirectly improve the overall development of the host regions. The project will develop a strategy to avoid or minimize negative impacts on people and on vulnerable groups through appropriate management and mitigation measures such as payment of adequate compensation for loss of crops, trees, and other assets, as applicable. Each project component includes a resettlement plan. Issues relating to Indigenous Peoples are considered in the directly affected peoples will benefit from the application of the “do no harm” policies and procedures of the Bank on Involuntary Resettlement, Indigenous Peoples and Environment. Men and women will be consulted

### C. Poverty Impact Analysis for Policy-Based Lending – Not Applicable

#### II. PARTICIPATION AND EMPOWERING THE POOR

##### 1. Participatory approaches and project activities.

The project stakeholder engagement process has been based on a participatory approach. Consultations have been carried out across various project locations with key informants, including villagers along the transmission lines and other stakeholders, during the pre-implementation phase. The consultation process will continue during the implementation of project especially during the disbursement of compensation process and thereafter as necessary.

**2. Civil society organizations.** Consultations will continue with all stakeholders including with civil society during project implementation; otherwise, no such specific role is foreseen for civil society for project implementation.

**3. The following forms of civil society organization participation are envisaged during project implementation, rated as high (H), medium (M), low (L), or not applicable (NA):**

M Information gathering and sharing     M Consultation     NA Collaboration     NA Partnership

##### 4. Participation plan.

Yes.  No. As this project merely constructs transmission lines and substations which are routine sector activities, participation beyond consultation of the beneficiary groups is not indicated. A participation plan is not required for the project as a whole. For compensation of temporary damages caused during clearing, erection, and maintenance of the transmission line corridor, consultation and participation will be followed in accordance to the project compensation plan for temporary damages.

#### III. GENDER AND DEVELOPMENT

**Gender mainstreaming category:** No Gender elements

**A. Key issues.** The project benefits men and women equally. The proposed project is expected to be gender neutral, as all benefits from transmission system expansion are indirect.

**B. Key actions.** Improved power supply does not adversely impact anyone. However, regarding gender issues, the project's loan agreement will include a standard assurance related to core labor standards for contractors, including gender equal pay for equal types of work, and an awareness program on HIV and sexually transmitted diseases and human trafficking. Equal compensation and assistance will be paid to the impacted men and women, including additional assistance to women-headed households categorized as vulnerable. Separate consultations among women group has been conducted during the safeguard due diligence.

Gender action plan     Other actions or measures     No action or measure

#### IV. ADDRESSING SOCIAL SAFEGUARD ISSUES

##### A. Involuntary Resettlement

**Safeguard Category:**  A  B  C  FI

**1. Key impacts.** The project has two physical components as far as land acquisition and involuntary resettlement is concerned, which are (i) construction of substations and, (ii) construction of transmission lines. There are four new substations under the Tranche 3 Project, and three, Mazra, Nirmand/Bagipul, Barsaini are located in private land and one, Hatkoti is located in government land. A total 3 hectares of private land for three substations has been acquired through negotiated settlement and willing buyer and willing seller mechanism. The transmission lines (5 numbers) will have two types of impacts such as loss due to tower footings and loss along the right of way. Loss due to tower footings will be compensated in terms of land loss (7.03 hectares of private land) under the tower footings which will be purchased by HPTCL. Additionally, there will be loss of crops along the transmission line right of way (181.27 ha) which will be compensated. Total number of affected trees is 668. Total number of affected households is 164. There is no physical displacement and nobody will be severely affected. Total number of vulnerable households is 49. There will be no physical displacement. Adequate budget provision has been made in the RIPP to address the compensation and assistance issues.

**2. Strategy to address the impacts.** A combined Resettlement and Indigenous Peoples Plan (RIPP) has been prepared for tranche 3 subprojects. The RIPP is based on the national, state policies HPTCL's policies such as the

Environment and Social Safeguard Policy, May 2011 (ESSP) and Resettlement, Relief, Rehabilitation and Compensation Policy, May, 2011 (RRRCP) and ADB's Safeguard Policy Statement, 2009 and. Losses have been assessed and provisions have been made to the APs for compensation and assistance. Additional assistances will be provided to the vulnerable households. A Resettlement Framework has been prepared for the entire MFF

**3. Plan or other Actions.**

- Resettlement plan
- Resettlement framework
- Environmental and social management system arrangement
- No action
- Combined resettlement and indigenous peoples plan
- Combined resettlement framework and indigenous peoples planning framework
- Social impact matrix

**B. Indigenous Peoples**

**Safeguard Category:**  A  B  C  FI

**1. Key impacts.** There is no physical displacement in tranche-3 subprojects and no indigenous peoples will be displaced. The impacts are limited to the transmission lines where some section of lines in the sub tehsil of Bharmour of Chamba district will pass through the designated/notified tribal area). All the losses related to tower footings and right of way will be compensated in due consultation and consent with the affected persons including the indigenous people. The indigenous peoples are not the distinct tribal groups as they follow the normal socio-cultural activities and are mainstreamed.

Is broad community support triggered?  Yes  No

**2. Strategy to address the impacts.** A combined Resettlement and Indigenous Peoples Plan (RIPP) has been prepared with a separate social analysis of the scheduled area through which the subprojects will pass through. An Indigenous Peoples Planning Framework (IPPF) has been prepared for the entire investment program/MFF and for its future tranches. The RP and RF have provision for additional assistance for STs/IPs as part of vulnerable groups

**3. Plan or other actions.**

- Indigenous peoples plan
- Indigenous peoples planning framework
- Environmental and social management system arrangement
- Social impact matrix
- No action
- Combined resettlement plan and indigenous peoples plan
- Combined resettlement framework and indigenous peoples planning framework
- Indigenous peoples plan elements integrated in project with a summary

**V. ADDRESSING OTHER SOCIAL RISKS**

**A. Risks in the Labor Market**

**1. Relevance of the project for the country's or region's or sector's labor market, indicated as high (H), medium (M), and low or not significant (L).**

- L unemployment
- L underemployment
- L retrenchment
- M core labor standards

**2. Labor market impact.** The Project will generate employment opportunities for the local communities. Men and women will be paid equally for equal work. PHPPTCL will ensure compliance with the labor laws, with no child labor employed.

**B. Affordability** - There are no affordability issues.

**C. Communicable Diseases and Other Social Risks**

**1. The impact of the following risks are rated as high (H), medium (M), low (L), or not applicable (NA):**

- L Communicable diseases
- L Human trafficking
- NA Others (please specify) \_\_\_\_\_

**2. Risks to people in project area.** Provisions will be taken to prevent or minimize impacts. Where and if necessary, the project will take specific action to inform, educate, and prevent workers from contracting and spreading HIV/AIDs. There is a no-tolerance policy on human trafficking, child labor, among other issues.

**VI. MONITORING AND EVALUATION**

**1. Targets and indicators.** Payment of compensation and assistance to the affected persons due to construction of transmission lines and substations.

**2. Required human resources.** HPPTCL's project management unit will establish a monitoring mechanism with qualified staff to engage in monitoring to ensure that the project is implemented as stipulated in the loan agreement.

**3. Information in the project administration manual.** Semiannual monitoring reports by the project management unit.

**4. Monitoring tools.** Internal monitoring by the project management unit and reviewed by ADB.