

EXECUTIVE SUMMARY

i. This is a combined Resettlement and Indigenous Peoples Plan (RIPP) is prepared for the “Sikkim Power Development Project” (the Project) that is proposed for financing by the Asian Development Bank (ADB). The project is categorized as “B” for involuntary resettlement¹ and “B” for indigenous peoples² safeguards as per ADB’s Safeguard Policy Statement, 2009 (SPS). The Power Department of Sikkim (PDS), Government of Sikkim (GoS) is responsible for implementing the Project. The involuntary resettlement impacts are not significant and the impacts on indigenous peoples are mostly positive in nature with some minimum potential adverse impact such as loss of crops and trees or other livelihoods which will be minor if any. The RIPP covers all the core elements of a Resettlement Plan (RP) and Indigenous Peoples Plan (IPP) per ADB’s SPS, 2009.

ii. Civil works will be carried out mainly within the existing substations, roads and distribution lines’ ROWs as per findings of the due diligences (Appendixes 1, 2 and 4). No physical displacement or severe impact are anticipated. Any temporary impact (e.g., loss of crops, trees, access to paths to vendors) during construction works for the distribution lines will be known after detailed design. Only for six feeder terminals at six locations approximately 0.82 hectares land will be required. PDS intends to acquire it through negotiated settlement and consents of all landowners for all six locations are appended in the RIPP. The final price for the lands shall be determined through documented negotiation process with engagement of the Land Revenue Department and a third-party verification. PDS will submit for ADB approval (upon two months from the project approval date) documents to demonstrate the land purchased in compliance with SPS requirements for negotiated settlement and the RIPP will be updated and disclosed accordingly in ADB website prior to implementation. This RIPP and PAM provide safeguard measures including that installation/works will be allowed in these lands and distribution line sites only after compensation payments as per the approved updated RIPP (or addendum as will be relevant) are completed and verified by monitoring reports to be submitted to ADB for clearance.

iii. The RIPP is draft at this stage. Turnkey contractor will finalize the alignment and will assist the PDS to assess the potential impacts on loss of crops, trees and any other assets. In case of major change in the scope resulting to significant involuntary resettlement and indigenous people’s impact, the same will be promptly informed to ADB and RIPP will be updated and submitted to ADB for clearance and disclosure. Impacts on the distribution lines will be temporary in nature and the final alignment will be known when the contractor undertakes final route alignment survey. For the distribution lines, since the contractor will be taking up the work in phases, therefore the update of the RIPP can be done as addendum for each phase or package of work that will be taken up for implementation. Impacts on crops, trees, number of affected households, affected persons, will be assessed by PDS through its turnkey contractor and project

¹ A proposed project is classified as category B if it includes involuntary resettlement impacts that are not deemed significant. A project’s involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The level of detail and comprehensiveness of the resettlement plan are commensurate with the significance of the potential impacts and risks.

² A proposed project is classified as category B if it is likely to have limited impacts on indigenous peoples. A project’s indigenous peoples category is determined by the category of its most sensitive component in terms of impacts on indigenous peoples. The significance of impacts of an ADB supported project on indigenous peoples is determined by assessing (i) the magnitude of impact in terms of (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health, education, livelihood, and social security status; and (e) the recognition of indigenous knowledge; and (ii) the level of vulnerability of the affected indigenous peoples community. The level of detail and comprehensiveness of the indigenous peoples plan are commensurate with the significance of potential impacts on indigenous peoples.

implementation consultants (PIC) and will be documented in the updated RIPP or in the addendum to the RIPP and their implementation will be reported in the semi-annual social safeguards monitoring reports.

iv. The project is aligned with the following impacts: availability of 24x7 reliable power to all households, agriculture, industry, commercial businesses, and other power consumers achieved,³ and climate and disaster resilient and renewable ready power system developed. The project will have the following outcome: power supply to consumers in Sikkim improved. The project has three outputs such as (i) Distribution system strengthened, modernized, and climate proofed, (ii) Service delivery, institutional, and operational management capacity strengthened and (iii) Gender- and socially inclusive energy-based livelihood activities promoted.

v. The scope of RIPP for the Project that contains the physical works and goods supplied includes the followings:

- augmentation, renovation and modernization of 1 existing substation of 132/66 kV and 25 existing substations of 66/11 kV and substations (total 26 existing substations)
- renovation and modernization of 25 existing 11/11 kV feeder terminals (switching stations) and construction of 8 new ones;
- installation of 1,350 ckm of 11 kV distribution lines including reconductoring of 106.5 ckm bare to covered conductors, reconstruction of 580.7 ckm with bare overhead lines, reconstruction of 384.5 ckm with covered conductor overhead lines, and construction of 279 ckm of new underground cables in urban areas – if reconstructing or replacing existing overhead lines the old conductors and poles (as applicable) will be removed - plus installation of 59 ring main units (RMU) associated with underground cabling works, fault passage indicators and auto reclosers;
- installation of about 1,325 ckm new low tension 0.4 kV distribution lines (about 850 ckm bare overhead lines, 100 ckm aerial bunched cable, and 375 ckm underground cables) plus installation of 35 new compact (package) substations, 425 new oil cooled and dry type transformers including ground mounted ones, renovation of 2,325 existing transformers in-situ across the entire state;
- construction of one 5-storey backup State Load Dispatch Center (SLDC) facility at the Lower Lagyap Hydropower (LLHP) substation complex near Gangtok in Lagyep;
- supply of testing and maintenance equipment for existing substations;
- internal fit out of an existing premises for a customer care center;
- construction of one Command and Control center within the premises of the existing PDS Headquarters in Gangtok,
- provision of 15,000 LED street lights to replace existing ones, and
- provision of photovoltaic-based power supply equipment to support farm-based livelihood as part of a community-based intervention.

vi. The project's impacts are more relevant to Project's output-1. The project's core components are primarily modernization and augmentation of existing facilities such as substations, terminal feeders, replacement of old lines where impacts are limited. Additionally, there will be components which are new. The project will be implemented across Sikkim and will impact the population of Sikkim including the indigenous people. Renovation and Modernization of substations will be done within the preexisting substation where land is available for additional work within the boundary of existing substations. There will be no impacts on land acquisition and involuntary resettlement for this component. Renovation and modernization of existing 11/11 kV feeder terminals will not have any impacts. There will be a total of eight (8) new 11/11 kV feeder terminals. These are small intervention and do not require big scale land. Out of the total eight

³ Joint Initiative of Government of India and Government of Sikkim, 2016. *24x7 Power for All*.

feeder terminals, six (6) are proposed on the privately owned land and two (2) will be on government owned land. Sites have been identified and finalized and owners have been identified. For these six new feeder terminals, a total of 8,176 square meters (0.82 hectare) of land will be required which will be purchased through negotiated settlement as mentioned above. Land will be taken from six households having eight land owners/co-owners. For distribution lines components, sample assessment shows that potential impacts will be limited to loss of crops and trees at certain places which will be avoided, and if it will not be possible to avoid fully, any unavoidable losses will be compensated. Underground lines may pass near by the habitat areas or small markets which will not cause any physical or economic displacement, and the contractor will take measures to provide access paths to avoid any temporary disruptions of activities.

vii. Stakeholders' consultations were carried out with (i) officials from PDS including women staff, (ii) villagers along the distribution substations and lines, (iii) scheduled tribe and indigenous people in the project area, (iv) tribal leaders in the Dzumsa area, and (v) consultations with community women. Consultations were held between May 2023 and June 2023. A total of 261 participants attended the consultations of which 149 were male and 112 were female. Locations and details on each consultation along with responses and list of participants and signatures are provided in Annexure-6. Consultations will be continued during project implementation with various stakeholders such as affected persons, beneficiaries, community chief at village level, civil society organizations, and tribal leaders in Dzumsa areas. Initial project information containing project benefits, potential impacts and mitigation measures was disseminated to the potentially to be affected people and beneficiaries through brochure. PDS, with support from contractor and project implementation consultant, will provide relevant information in a timely manner, at an accessible place, and in a form and language understandable to affected persons. The RIPP will be made available in corporate and site offices of PDS and at the project site office of concerned contractor. The summary RIPP will also be made available at in local languages (Nepali) in the form of leaflet. The draft and final RIPP (and/or addendum) will be disclosed on the websites of ADB and PDS. Social safeguards monitoring reports on RIPP implementation will also be posted on the ADB website.

viii. As a general intervention to reduce poverty, the project will have consequent economic and social benefits for Sikkim households. A reliable electricity supply will lead to social and economic benefits and improved conditions for schools, hospitals, and other social services. Improved efficiency of the power distribution network will help in meeting the peak demand and will contribute significantly to the reduction in power losses. Project impacts to indigenous peoples as energy consumers are indirect and beneficial in nature. Aiming to maximize benefits sharing with indigenous communities, the project provides specific actions in this RIPP for the indigenous peoples communities. Mitigation and compensation measures are provided for potential negative impacts on indigenous peoples (i.e. minor impact as temporary impact on crops or other livelihoods) as per the entitlement matrix in this RIPP.

ix. PDS will set up a transparent and time-bound grievance redress mechanism (GRM) to receive and resolve affected persons' grievances and complaints. A four-tier grievance redress mechanism is proposed to be formed by PDS. The first tier is an informal stage which will be at site level/electrical sub division. Grievances of the affected persons are first dealt at field level by contractor and PDS field officials. Complaints that cannot be addressed at the site level will be forwarded to PIU level at electrical division level which is the second level. The third tier is the grievance which will be at PMU level of PDS. The last stage of grievance will be at grievance redress committee (GRC) which will be at government level and will consist of various departments representatives. The presence of GRM or seeking relief from GRM is not a bar to take grievances and complaints to courts for arbitration. In addition, ADB has an Accountability Mechanism whereby people adversely affected by ADB-financed projects can express their

grievances, seek solutions, and report alleged violations of ADB's operational policies and procedures, including safeguard policies. Records of all grievances received, including contact details of the complainants, dates the complaints received, nature of grievances, agreed corrective actions and when they were implemented, and the final outcome shall be recorded and kept at the contractors offices and in the PMU levels and will be reported in the semi-annual social monitoring report. All costs incurred in GRC meetings, consultations, communication, and reporting and/or information dissemination will be borne by PDS.

x. The RIPP is based on national policies and ADB's SPS of 2009. Relevant national laws applicable to land acquisition and involuntary resettlement are (i) The Electricity Act, 2003 and (ii) The Indian Telegraph Act, 1885 and (iii) ADB's Safeguard Requirement-2 (SR-2) of ADB's Safeguard Policy Statement (SPS), 2009. The relevant laws applicable for indigenous peoples are (i) the constitution of India, (ii) The Constitution (Sikkim) Scheduled Tribes Order, 1978 and (iii) ADB's Safeguard Requirement-3 (SR-3) of ADB's SPS, 2009. Affected households including those with legal land titles and those who do not have official land titles but have legalizable land rights, will be eligible and entitled for compensation for all kind of losses, such as loss of lands, any assets such as trees, crops and non-land assets if any and land use restrictions, and etc. Lack of legal documents of their customary rights of occupancy or land titles shall not affect their eligibility for compensation. However people having no land titles, land record or informal settlers whose land claims are non-legalizable, will be eligible and entitled for all non-land assets, crops, trees and any other livelihoods. An entitlement matrix has been prepared and included in this RIPP to address any losses and provision of compensation and mitigation to the affected persons based on their categories.

xi. The total budget for the RIPP is estimated INR 20.05 million that is indicative and provisional. Actual cost will be updated during project implementation. The estimated cost includes (i) land compensation for the negotiated settlement for six (6) 11/11 kV terminals, (ii) provisional sum for crop and trees compensation for overhead lines, (iii) provisional sum for underground lines, (iv) benefit sharing activities for the indigenous peoples and (v) RIPP implementation cost. The estimated cost also includes a 20% of contingency provision to accommodate any variation and vulnerability allowances to affected households. The cost will be as part of the counterpart fund from the PDS.

xii. PDS will be executing agency (EA) and will also be the implementing agency (IA) responsible for implementing the project including the safeguards. The main institutions that will be involved in social and environmental management activities are PDS, Contractors for each contract package, project implementation consultant (PIC) and relevant line agencies such as revenue, forest, horticulture and also the Dzumsa representatives. Additionally, Sikkim Renewable Energy Development Agency (SREDA) will be responsible for the community level interventions under the project's output-3 where indigenous peoples will also be the beneficiaries. ADB's safeguards team has also provided initial orientation training on environmental, involuntary resettlement and indigenous peoples safeguards to the designated social and environment staff of the PMU and PIU of the PDS, during the project preparation. The designated PDS staff responsible for safeguards will be undergoing various periodic training program which will be organized by ADB's India resident mission.

xiii. All the negotiation and payment for land required for permanent impacts such as land for the six 11.11kV feeder terminals shall be paid prior to commencement of construction on the respective sites. Compensation related to loss of trees and crops for distribution lines will be paid before the start of constructions and any unidentified (residual) impact losses, shall be paid during/after the start of the construction including for the poles foundations, erection and stringing phases. The impact assessment for updating of this draft RIPP will be undertaken in parallel with

the detailed design survey. The final/updated RIPP plan (and/or addendum/s) shall be approved by ADB and disclosed in ADB website before its implementation, and compensations for losses shall be paid prior to start of civil works in the resettlement impacted sites.

xiv. Implementation of the RIPP will be monitored internally by PDS to: (i) ensure that mitigation measures designed to address negative social impacts and measures to enhance positive impacts are adequate and effective, (ii) determine if the indigenous communities have any issues or concerns regarding project implementation, and (iii) propose corrective actions when needed. Under the oversight of PMU, the PIC will be responsible for monitoring of the overall implementation of the project, including the implementation of RIPP. The PMU of PDS will submit the semi-annual social monitoring reports to ADB for review. Upon ADB approval, the monitoring reports will be disclosed on ADB's website as well as on the website of PDS. Social monitoring will continue until finalization of ADB's project completion report and until the end of project construction. The semi-annual social safeguard monitoring reports which will essentially describe the implementation of the RIPP, grievances status and overall the project progress and safeguard compliances for the period covered, shall be submitted to ADB every 15th of July and 15th of January until the end of project construction and issuance of the project completion report.