PRESENT STATUS

Annual General Meeting (AGM):
The sixth Annual General Meeting of Tanahu Hydropower Limited was held on 21 December 2018 at the Corporate Office of Tanahu Hydropower Limited under the chairmanship of Mr. Kul Man Ghising (Managing Director of Nepal Electricity Authority). The followings are the main agenda of discussion and decision of the AGM;
- An Annual Report of the fiscal year 2074/075 has been approved.
- The Audited Report of the fiscal year 2074/075 has been approved.
- The authority has been granted to the Board of Director of THL to appoint the Auditor for the fiscal year 2075/076.

Bidding Process:
- Following the signing of Contracts for Package 1 and Package 2, several rounds of meetings were held among THL, PSC and Contractors regarding Access to and Possession of the Site. A joint site inspection was also conducted in order to clarify the concerns raised by the Contractors on the proposed Sites. The objective of the visit was to confirm the access to and possession of site immediately after notifying the Commencement Date.
- The Package 1 Contractor has submitted the guarantee for EURO portion of the first instalment of Advance payment and also notified that the guarantee for local portion shall be submitted within 20 December, 2018. However, the bidder failed to provide the advance payment guarantee for local portion. As per Press Releases of CMC, the Court of Ravenna has admitted the Company to the arrangement with creditors following the cash-flow problem of the Company. Subsequently, the THL issued a letter to CMC about Employer’s intention to notify the Commencement Date as early as possible in order to avoid further delay with a request to submit the fund arrangement plan authenticated by a competent authority along with confirmation of credit lines from the relevant banks for the execution of the Works under the Contract. CMC notified their temporary absence from 20 December 2018 to the first week of January 2019 for the Christmas leave.
- The Package 2 Contractor submitted the guarantees for the first instalment of advance payment on 28
December, 2018. However, as the guarantees are not fully in compliance, PSC notified to resubmit the guarantees.


**Safeguard activities:**

**Agreement with Concern Committee**

Collective Rights Protection Committee to Directly Drown Affected People submitted the complaints to the Office of the Special Project Facilitator (OSPF) under the Accountability Mechanism (AM) of ADB including 12 points demand. To address this issue, OSPF appointed the Project Facilitator. THL and the Facilitator have conducted a consultation meeting with committee members and APs on 14 December 2018. It was agreed that the individual consultation will be carried out in feasible locations from second week of January 2019. THL started consultation to address their demands.

**Land Acquisition of Betini and Reservoir Area**

The compensation distribution for land acquisition in Betini and Reservoir area is underway. THL is in regular consultation with APs of Betini and Reservoir area regarding the compensation process. Compensation distribution of Banchare area is almost completed. Four affected HHs (the non-title holder) of Banchare area received the compensation of structures, tress and other allowances. Total compensation and allowances distributed to the affected HHs from Betini and Banchare area till end of December, 2018 is NRs 5,83,38,859.98. Likewise, the total compensated amount including Livelihood Income Restoration of reservoir area is NRs 10,15,40,612.13 (from April-December 2018).

**Gender Equality and Social Inclusion (GESI)**

Public GESI orientation meeting was held on 11 December 2018 at Rising Rural Municipality office. This event has been inaugurated by Bhimad Mayor as well as LCF Chairperson. The participants were LCF members, men, women members of APs and affected areas peoples. Out of total 81 participants, 31 were female and 50 male. The following topics were presented during program:

- ADB-GESI expert made presentation about gender, its disparity, role and responsibility of women, their participation and education, and also provided ADB guidelines.

- Similarly, Representatives of THL provided introduction on legal provision of women rights in the constitution of Nepal and other national documents on gender aspects.

**Environment and Social Management Service Provider (ESMSP)**

The Evaluation Committee has also completed the technical proposal evaluation of the short listed applicants. It is scheduled to submit the submission 2 to the ADB by the end of January 2019.
Panel of Expert (POE)
The signing of contracts for 3 Panel of Experts (POE) namely Social Expert, Environment Expert and Dam Safety Expert has been concluded on 17 December 2018. THL and the POE team visited dam site, camp site, powerhouse and reservoir area from 18-19 December 2018. The team also consulted with APs. Finally, a wrap-up meeting was held at THL office on 21 December 2018 and the first POE report (draft) has been submitted to THL.

Grievance Registration and Readdress
The project site office and LCFs have been registering grievances raised by affected as well as local people. The registered grievances so far focus mainly on following issues:

<table>
<thead>
<tr>
<th>S.N.</th>
<th>Type of Grievance</th>
<th>Number</th>
<th>Remarks</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Missing of trees and fruits counting /Compensation of trees and planting in public land near their registered land/Crop</td>
<td>34</td>
<td>13 grievances have been addressed, whereas 21 grievances are being processed.</td>
</tr>
<tr>
<td>2.</td>
<td>Valuation of property(Structure), Missing of item in property valuation/ Land remaining less than 1 ropani</td>
<td>26</td>
<td>19 grievances have been closed, whereas evaluation of 7 grievances is underway.</td>
</tr>
<tr>
<td>3.</td>
<td>Low valuation of structure</td>
<td>15</td>
<td>9 grievances have been addressed and remaining 6 grievances are being discussed.</td>
</tr>
<tr>
<td>4.</td>
<td>Construction</td>
<td>12</td>
<td>9 complaints have been resolved whereas 3 are remaining.</td>
</tr>
<tr>
<td>5.</td>
<td>Insurance (Houses nearby road)</td>
<td>1</td>
<td>The process will be initiated shortly.</td>
</tr>
<tr>
<td>6.</td>
<td>Request to THL to provide Identity Card to all Affected Families</td>
<td>1</td>
<td>256 numbers of Identity cards have been distributed to Affected Families and the process will continue.</td>
</tr>
<tr>
<td>7.</td>
<td>Electricity</td>
<td>6</td>
<td>4 grievances have been addressed and remaining grievances being discussed.</td>
</tr>
<tr>
<td>8.</td>
<td>Compensation</td>
<td>5</td>
<td>4 grievances have been addressed.</td>
</tr>
<tr>
<td>9.</td>
<td>Demanding of Encroacher’s allowances</td>
<td>4</td>
<td>All demand has been addressed.</td>
</tr>
<tr>
<td>10.</td>
<td>12 Points demands by Collective Rights Protection Committee to Directly Drown Affected People</td>
<td>1</td>
<td>THL and ADB Special Facilitator jointly engaged to settle the issue.</td>
</tr>
<tr>
<td>11.</td>
<td>Others and Livelihood supports</td>
<td>5</td>
<td>Consultations are underway.</td>
</tr>
</tbody>
</table>

Total 110

The LCFs in coordination with the project site office are working continuously for addressing the registered grievances.
**Project Preparatory Works**

**Access Roads**

**Access Road from Chapaghat to Dam Site Area (3,234)**
The payment of compensation of the land in the remaining section of the roads towards the Betini area is almost completed. After the compensation process is over, track opening and construction work in the remaining section of the road towards the dam site will be initiated.

**Access Road from RCC Bridge to Powerhouse (3,314m)**
Access Road from RCC Bridge to Powerhouse has been completed.

**Camp Facilities**
Construction of Camp Facilities has recently been completed with:
- 2 nos. of office buildings for employer and consultants,
- 2 nos. of residential building of type A;
- 12 nos. of residential building of type B;
- 10 nos. of residential building of type C;
- 2 Dormitories;
- 1 Guest house;
- 1 health post;
- 2 restaurants and
- 1 guard house.

**Lower Seti (Tanahu) Hydropower Project**
By the proposal submission deadline of 5 December, 2018, all six shortlisted firms have submitted their proposals. On the same day, their Technical proposals were opened in the presence of Firm's representatives: The Consultant Selection committee is evaluating the proposals and it is expected to complete the evaluation by the second week of January 2019.

**FUTURE COURSE OF ACTION:**

**PROCUREMENT ACTION**

**Contractor Mobilization:** The Engineer will instruct both Contractors to commence the Works by the second week of January 2018. Subsequently, THL is preparing to provide access to and possession of the sites to the Contractors. Shortly after the site possession, it is expected that the Contractors will be mobilized to the site by the beginning of February, 2019.

**Translation of THL documents in Magar Language:** A local translator has been engaged to translate the project related documents in Magar Language to disseminate to the APs.

**Engagement of ESMSP:** Contract agreement with ESMSP will be signed by the end of February, 2019.

**SAFEGUARD ACTION**

**House-to-House Consultation:** As per the tripartite agreement, THL, ADB team and the Project facilitator (engaged by the ADB) will conduct house-to-house consultation with 21 HHs of reservoir affected area.

**Compensation Distribution:** Compensation distribution in Reservoir, Betini and Banchare area will be continued.

**Stakeholders Consultation:** THL is regularly engaged in consultation with Local Authorities like District Administrative Office, Land Revenue office, Survey Office, DFO and Local Level Government. Community consultation is planned for once in every two month at each LCF. Project site office at Jhaputar, Project Information Centre (PIC), Bhimad, Project Contract Offices in Rising and Myagde will be actively engaged to
receive and hear the grievances from APs promptly. Project information in the form of Booklet and Leaflet which includes salient features, FAQ, and information on present status and safeguard activities of the project, are being distributed to all stakeholders. Local media are also being mobilized to disseminate project related information.

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