



# Livelihood Restoration Plan for GKEL

**GMR Kamalanga Energy Pvt Ltd,  
Odisha**

**Executive Summary**

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# 1 EXECUTIVE SUMMARY- LIVELIHOOD RESTORATION/IMPROVEMENT PLAN FOR GKEL

## 1.1 BACKGROUND

The construction of the GKEL Thermal Power Plant 1050 MW (350MWX3) started in 2008-09 and three units were commissioned in April 2013, November 2013 and March 2014 respectively. The Environmental Resources Management (ERM) India Pvt. Ltd. was commissioned by GMR Kamalanga Energy Limited (GKEL) in 2015 to prepare a Livelihood Restoration Plan (LRP) for the Project Affected Families<sup>1</sup> (PAFs). This LRP is prepared to address gaps in GKEL's efforts for improving socio-economic status of PAFs and to develop a livelihood restoration/ improvement plan to meet its obligations under IIF performance Standards<sup>2</sup>.

Land for the project has been part acquired through the Government of Odisha (GoO) under the provisions of the Land Acquisition Act (LAA), 1894 (as amended in 1984) by IDCO and transferred to GKEL on long term lease basis. The summary of the land acquisition/purchase process for GKEL is provided in Table 1.1.

**Table 1.1 Land acquisition for GKEL**

Project Component	Total Land Area	Mode of Acquisition/ Purchase	Year of Notification	Revenue Villages
Main plant and township (MPT)	1086.25 acres	Land was acquired by GoO under LAA 1894	2007	Kamalanga; Mangalpur; and Budhapanka
Railway siding/ MGR (RS)	37.9 (spanning over 6.8 kms)		2010	Mangalpur; Kusupanga; and Nuahata
Water pipeline (WPL)	6.58 acres (spanning over 2.8 kms)	LA process under LAA 1894 is under progress	2010	Kamalanga
Direct approach road (DAR)	31.75 acres (spanning over 4.69 kms)		2010	Mangalpur; and Nuahata
Total	1162.48 acres			

Source: GKEL-2015

## 1.2 LIVELIHOOD RESTORATION/IMPROVEMENT BENCHMARK

This livelihood restoration plan is prepared after several years of the land acquisition which took place between 2008 and 2010. Though livelihood interventions implemented as CSR program by GKEL has benefited some PAFs, yet they were neither planned nor executed as a targeted program for PAFs. The socio-economic standards and livelihoods of the affected

<sup>1</sup> In the context of the present Report, the term 'PAF' refers to families from whom land was acquired for the project

<sup>2</sup> IIF Performance Standards are based on IFC Performance Standard 2006 and have same provisions.

population should ideally be measured against the baseline conditions of the population which is prior to land acquisition. The livelihood plan then is prepared with the objective to improve or at least restore PAFs livelihood to pre project levels.

As the project is located in an Industrial zone and several years have passed since the land acquisition for the project happened, it is difficult to attribute if changes are due to GKEL or induced by other industries. Hence, this LRP benchmarks the current socio-economic status of the PAFs and approaches this as a livelihood improvement plan. PAF household socio-economic survey 2015 establishes the benchmark for the entitled PAFs to measure restoration/improvement of their livelihood through the activities proposed under this LRP.

### 1.3 *GUIDING PRINCIPLES*

In this specific circumstance of the project, following guiding principles were adopted to develop this LRP:

- The benefits of this LRP should be available to PAFs who have not received any livelihood assistance benefits other than the cash compensation for their land;
- The vulnerable and most-needy PAFs are identified and given priority over other entitled PAFs;
- The eligibility criteria for the entitled PAFs should be transparent and disclosed to all PAFs;
- The entitled PAFs are consulted over their choice of livelihood restoration/improvement activities;
- PAFs can access the Grievance Redress Mechanism to register their concerns and seek appropriate resolution;
- The LRP will have a robust internal and external monitoring system to ensure that objectives and targets under this LRP are achieved; and
- A closure audit of the LRP implementation will ensure that objectives and targets under this LRP are achieved in substantial terms.

### 1.4 *IDENTIFICATION OF ENTITLED PAFs*

GKEL reported that some PAFs are given following project benefits:

- Employment in GKEL as direct employees;
- Employment in GKEL as indirect employees with its sub-contractors and enjoy tenure protection for long term employment;
- Local contractors and suppliers who are given business opportunities with GKEL;
- CSR interventions for improving rural livelihood and income.

The PAF household socio-economic study conducted in 2015 covered 2218 PAFs from 11 villages: Achalkote, Barasahi, Bhagamunda, Budhapanka, Durgapur, Kaliataila, Kamalanga, Mangalpur, Maniabeda, Manpur and Nuahata. The survey included the titleholders and their descendants who are

currently residing in these villages as independent households. It was found that GKEL had provided employment and business opportunities to 360 PAPs belonging to 255 PAFs. In addition, the CSR interventions by GKEL had covered 601 PAFs between 2010 and 2015.

GKEL asserted that some of these PAFs have been provided support for multiple livelihood initiatives for consecutive years. This has ensured additional income to these households. However, some of them can still be considered vulnerable and would require further support. It was found that 163 PAFs out of the total 601 PAFs who have received CSR benefits have total annual household income in excess of Rs 60,000 per annum<sup>1</sup>.

The current socio-economic conditions of the PAFs showed that some of them can be considered privileged and less vulnerable. The PAFs who have secured long term employment (other than GKEL) or have secured source of income from land holdings more than 3 acres, or reported to earn more than 3 lakhs rupees per annum or have a better quality of life were identified. As per the PAF household socio-economic survey in 2015, 333 relatively better or privileged<sup>2</sup> PAFs were identified.

Thus, the application of the principle that this LRP should cover those PAFs who have not received any livelihood assistance apart from the compensation for land and are economically vulnerable, identified 1467 entitled PAFs from the total 2218 PAFs surveyed

In summary, the eligibility of the PAFs targeted under this LRP is as follows:

- The PAFs and the member to be benefited should be a local resident (living within the villages in 2km radius of the project);
- The current socio-economic condition of the households should not meet the criteria defining privileged households;
- Those PAFs who have not received any livelihood assistance or support from GKEL in the past;
- The PAFs who have received some livelihood intervention as listed in section 2.3.3 in past but annual income of the family is less than 60,000 rupees per annum.

## 1.5

### *POTENTIAL LIVELIHOOD INTERVENTIONS*

Considering the socio-economic context of the project area and PAFs socio-economic profile, three broad areas livelihood improvement are identified. They are:

- Farm and livestock support for income enhancement;

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<sup>1</sup> To define the criteria of PAFs that will need additional support, 300 working days for an un-skilled wage labour family was considered as minimum. Thus, the total annual income of 60,000 rupees at the current minimum wage for the state of Odisha<sup>1</sup> was adopted as a benchmark.

<sup>2</sup> The privileged PAFs comprise of 20 PAFs whose income was more than 3 lakhs, 213 PAFs where members were in long term employment, 13 PAFs have more than 3 acres of land and 13 PAFs can afford Air-Conditioners.

- Skill training and placement facilitation; and
- Micro-enterprise support for income enhancement.

An overview of the livelihood improvement package for these three options is provided below:

**Table 1.2** *Overview of the three livelihood options*

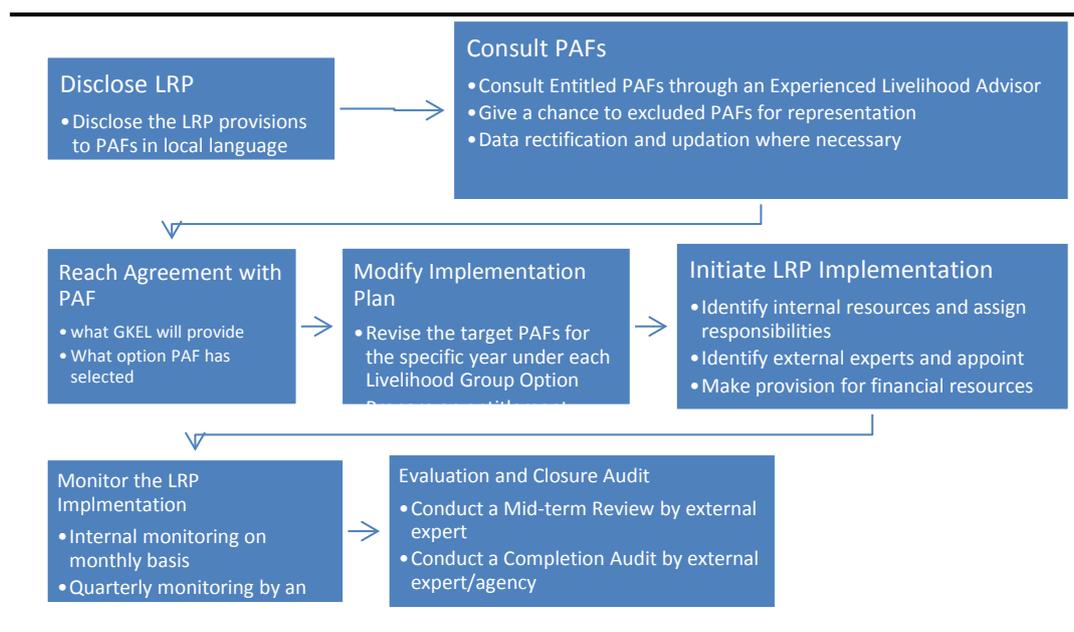
Option	Indicative Interventions	Overview of the Package
I Farm and livestock support for income enhancement	Fishery Paddy cultivation Vegetable cultivation Potato cultivation Groundnut cultivation Cultivation of Pulses Providing agricultural equipment Horticulture Poultry farming Goat rearing Mushroom cultivation Women Dairy/ Cattle rearing	The PAF will choose at least one from the farm and one from the livestock related interventions. The benefits of these interventions will be for 2 consecutive years. The PAF will only receive advisory support on third year, unless monitoring indicators that the PAFs have not improved income levels beyond Rs 60,000 per annum.
II Skill training and placement facilitation	Retail business Agarbatti making Phenyl making Paper bag-making Leaf Cup and Plate Pickle Making Papad/Badi Making Lime making	One member of the PAF (selected by PAF family) will be given skill training which may spread from 1-3 months at a recognized training institute. The support for the training will include fees, subsistence cost and other incidental costs. After the training, opportunities for placement of the candidate will be provided. The trained candidate will assisted to get placement offers. Every candidate will be given maximum of two placement offers. If the candidate rejects two consecutive placement offers, it should be recorded and no further assistance should be provided.
III Micro-enterprise support for income enhancement	Repairing of electrical appliances Motor welding TV and Refrigerator repairing Mobile repairing AC repairing Automobile repairing Hotel cook Computer Hardware and DTP Tailoring training/ Garment stitching	One of the PAF family members who desire to set up a micro-enterprise will be given initial training and one-time financial/machinery/raw-material support for the first year. The PAF will receive guidance in the second year on planning, marketing, inventory and quality control etc that would enhance profitability/economic success.

## 1.6

### **LRP IMPLEMENTATION PROCESS**

The next steps in LRP implementation process is shown in Figure 1.1 below. The implementation process is further elaborated in subsequent sections of this chapter.

**Figure 1.1 Steps in LRP Implementation Process**



**1.6.1 LRP Disclosure Process**

The disclosure process of the LRP for each of the relevant stakeholder groups is provided in table below.

**Table 1.3 LRP Disclosure for different stakeholders**

Stakeholder Name	Disclosure Process
Project Affected Families	Household level individual consultations.
RPDAC	Presenting an overview (coverage duration and types of activities) during RPDAC meeting.
Gram Panchayat Members	Presenting an overview (coverage, duration and types of activities) in a meeting organized at each Gram Panchayat or convening a joint meeting of all GP members at one place
NGOs and Civil Society	Upload the Executive Summary of the LRP report on GKEL’s web-site Upload the Third Party Mid-term Evaluation and LRP Completion Audit Report

**1.6.2 Process of Consultation with PAFs and Final Selection of Interventions**

The feasible and preferable areas of livelihood assistance are inferred based on information received from the PAF households’ socio-economic survey 2015. As choices for livelihood assistance options were not discussed during household socio-economic survey, individual counselling and consultation with PAFs is essential.

The consultation and counselling of PAFs should be done by an expert livelihood counsellor or advisor after this LRP is disclosed and PAFs are informed about broad objective of this special program for them. The livelihood advisor will help the household in selecting one of the three options listed in table 1.2 above.

Each PAF will be offered to select one area of livelihood assistance support that suits their household socio-economic context. The intervention activities mentioned in Table 1.2 will be discussed with the PAF and an appropriate package will be prepared. The package will be described in a designated format preferably in local language and signed by the PAF. The selection of individual PAPs to be covered from the family should be left open to the PAF. However, the counselling should emphasize on participation of women in these counselling sessions and promote empowerment of women through a set of livelihood interventions suitable for women.

If no consensus is reached during the first consultation/ counselling session, the PAF may be given time to think and approach again with their final decision. A reasonable time period should be communicated to them within which they must convey their final decision so that there is adequate time to plan and execute the livelihood interventions opted by them.

The preference for livelihood intervention areas, i.e. farm and livestock support, micro-enterprise support or training and placement support will be updated and revised by the Livelihood Advisor to conclude the consultation process with PAFs.

### 1.6.3 *Prioritisation*

The socio-economic conditions of the PAFs vary from each other. In order to prioritize relatively poor and vulnerable households, the target PAFs were ranked using a range of socio-economic indicators. The cumulative score for each PAF was estimated and they were grouped into three bands, i.e. high, middle and low. More vulnerable households were decided to be given priority over others and would be covered in first year. The target number of PAFs to be covered each year is provided in Table 1.4 below.

**Table 1.4** *Vulnerability bands of target PAFs and priority of their coverage*

<b>Vulnerability Band</b>	<b>Number of Target PAFS</b>	<b>Coverage Year</b>
High (10.75 to 12.5),	688	1 <sup>st</sup> Year
Middle (10.0 to 10.5)	614	2 <sup>nd</sup> Year
Low (8.75 to 9.75)	165	3 <sup>rd</sup> Year
Total	1467	

### 1.6.4 *Rectification of PAF entitlements*

The PAFs covered in the survey include those who were present in the villages surveyed during the household socio-economic survey conducted by ERM. The claims of some households as land losers' family could not be verified as respondents met by the survey team did not have sufficient details of the particulars of the land acquired by GKEL. If, any material information based on which the entitlements proposed in this LRP is found to have significant difference, the livelihood counsellor/ advisor would rectify the data provided in Annexure-IV in consultation with the PAF and make appropriate

changes in PAF entitlements. Such rectifications should be documented by Livelihood Counsellor/Advisor and endorsed by M&E Expert.

Similarly, the beneficiaries listed in Annex-II, V, VI and VIII who have not been identified from the list of PAFs surveyed in 2015 will be checked by Livelihood Advisor, if required and make necessary rectifications.

### 1.6.5 *Implementation Schedule and Targets*

This LRP proposes to offer 28 livelihood interventions to cover 1467 PAFs. Considering the variation of the requirements of each of these livelihood assistance areas, implementation is planned in a phased manner. Estimated target for each area of livelihood option is provided in Table 1.5 below.

**Table 1.5** *Estimated Entitled PAFs in terms of Intervention Areas*

<i>Year</i>	<i>Farming</i>	<i>Micro-enterprise</i>	<i>Skill Training</i>	<i>Grand Total</i>
1st year( 10.75-12.5)	95	392	201	688
2nd year (10-10.5)	98	294	222	614
3rd Year (8.75-9.75)		88	77	165
Grand Total	193	774	500	1467

*Note:* The yearly targets should remain unchanged though numbers under each intervention heads is expected to change after consultations with PAFs.

### 1.6.6 *Staff Requirement*

The responsibility of implementing these livelihood assistance activities will be on GMRVF. GMRVF will allocate adequate number of staff with appropriate experience for effective implementation of this LRP. The LRP implementation will require following external experts or agencies where the required expertise is for short duration or an external third party verification is required for legitimacy.

**Table 1.6** *Indicative External Experts and Organisations*

<i>Position</i>	<i>Responsibility</i>
Livelihood Advisor or Counsellor	S/he would play and advisory role to the PAFs in selecting an appropriate livelihood assistance option.
M&E expert	S/he would be responsible to monitor achievement of targets set for each quarter and interact with a sample of beneficiaries to record their feedbacks. He would check the documentation maintained and ensure that proper documentation of the implementation process and constraints are properly maintained and are available for scrutiny by external evaluators. He would check the unresolved grievances pertaining to LRP implementation and recommend possible resolutions, if any.
External evaluation expert	The individual expert or the organization will carry out a mid-term evaluation on the basis of documentation and interactions with beneficiaries. The individual expert or the organization will carry out a LRP implementation completion audit based on the documentation and sample study covering not less than 15% of the benefited households.

## **1.7 GRIEVANCE REDRESS MECHANISM**

GKEL has prepared a Grievance Redress Mechanism for the project which covers its external stakeholders including PAFs. The same GRM shall be used for registering and resolving grievances related to LRP implementation.

## **1.8 MONITORING, DOCUMENTATION AND REPORTING**

### **1.8.1 Quarterly Monitoring**

The monitoring of implementation of planned livelihood support activities will be done by an external and part-time M&E expert. S/he should make a quarterly visit to the site. S/he will hold meetings with LRP Coordinator and other implementation staff to understand implementation challenges and significant achievements. He would select a random sample of beneficiaries covered in that quarter and visit them to record their feedback and record their level of satisfaction.

### **1.8.2 Mid-Term Evaluation**

Apart from the quarterly monitoring by M&E expert, a mid-term evaluation should be conducted. The mid-term evaluation will be conducted by an individual expert of repute or by a reputed organization after 24 months of start date of LRP implementation.

### **1.8.3 LRP Closure Audit or Final Evaluation**

A LRP closure audit should be conducted after 48 months from the month on which implementation commenced. The final audit may be delayed for a reasonable time if the external M&E expert finds that such extension of time will help in closing any pending issues or time it in accordance to cover the agricultural cycles.

The LRP completion Audit or Evaluation will be done by an individual expert of repute or by a reputed organization. The audit will cover the following:

- All PAFs were offered livelihood support as planned in the LRP;
- The documentation of rejection of livelihood support by PAFs;
- The closure of all grievances related to LRP implementation;
- The findings and action taken reports on quarterly monitoring reports;
- Improvement in socio-economic conditions of PAFs with reference to the baseline established in 2015 (Refer Annexure-VII);
- Assessment of level of satisfaction of PAFs over process of implementation of LRP.

The database of the PAF survey of 2015 will serve as a baseline for assessing changes in the livelihood and household income of the target PAFs. The evaluation should cover socio-economic indicators in Table 1.7.

**Table 1.7**      *Socio-economic indicators for LRP Closure Audit*

<i>Socio-economic Parameters</i>		<i>Socio- Economic Indicator</i>	
A	Livelihood Profile	1	Diversification of occupation and sources of household income
B	Livelihood Assets	2	Changes in land area cultivated
		3	Number of cattle (cow, bullock buffalo, calf etc) Owned
		4	Number of sheep and goat owned
		5	Number of poultry owned
C	Household Income	6	Annual Income of the household
D	Quality of Life	7	ownership of transport vehicle (cycle, bike, fourwheel)
		8	Ownership of modern electrical or electronic assets
		9	Improvement in housing quality

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