IMPACT SERIES • AUGUST 2020

BROOKINGS INDIA

# When Land Comes in the Way:

## India's Connectivity Infrastructure in Nepal

CONSTANTINO XAVIER • RIYA SINHA

Recommended citation:

Constantino Xavier and Riya Sinha, "When Land Comes in the Way: India's Connectivity Infrastructure in Nepal," (New Delhi: Brookings Institution India Centre, August 2020), Brookings India Impact Series 082020-01.



Designed by Mukesh Rawat

BROOKINGS INDIA

**About Brookings India**

The Brookings Institution India Center serves as a platform for cutting-edge, independent, policy-relevant research and analysis on the opportunities and challenges facing India and the world.

Established in 2013, the Center is the third and newest overseas center of the Washington, D.C.-based Brookings Institution. Our work is centered on the Brookings motto of "Quality. Independence. Impact."

---

Property Rights Research Consortium

OMIDYAR NETWORK INDIA

**About PRRC**

This paper was published as part of the Property Rights Research Consortium (PRRC), and supported by Omidyar Network India. PRRC is a network of leading think-tanks and research organisations, working to collaborate and drive policy action in the field of land, housing and property rights in India.

# TABLE OF CONTENTS

IMPACT SERIES • AUGUST 2020

# When Land Comes in the Way:

## India's Connectivity Infrastructure in Nepal

CONSTANTINO XAVIER

RIYA SINHA*

*We are grateful for the useful feedback from the three anonymous peer reviewers, as well as to the following for comments on the earlier drafts or sharing expert insights with us: Sachin Chaturvedi (RIS, New Delhi), Vijay Gokhale, former Foreign Secretary of India; Rakesh Mohan, Shivshankar Menon and Shamika Ravi (Brookings); Ranjit Rae, former Ambassador of India to Nepal; Shyam Saran and Namita Wahi (Centre for Policy Research). We would like to thank Nidhi Varma and Saneet Chakradeo (Brookings India), and Shreya Paudel (Niti Foundation, Nepal) for their excellent research support. We are also grateful to the Indian and Nepali government officials and all interviewees for agreeing to share their insights.

Support for this research was generously provided by the Omidyar Network's Property Rights Research Consortium (PRRC). Brookings India recognises that the value it provides is in its absolute commitment to quality, independence, and impact. Activities supported by its donors reflect this commitment and the analysis and recommendations found in this report are solely determined by the scholar(s).

# Abstract

Land acquisition for infrastructure projects abroad is one of the principal challenges the Indian government faces while pursuing its strategy of regional connectivity in South Asia. This paper examines two in-depth case studies on Indian-funded infrastructure projects in Nepal and surveys the institutional impediments and expertise deficiencies that cause delays in the process of land acquisition.

Such issues lead to protracted problems, on the ground between central, local, public and private stakeholders, to occasional tensions in bilateral government relations, and most importantly, to significant escalation in costs to India's public exchequer. Despite the strategic and economic significance of this issue, no research has been previously conducted on how land acquisition and property rights hinder India's infrastructure projects and strategic connectivity objectives.

Our paper also offers a comparative assessment of national and multilateral development partners such as the Asian Development Bank (ADB) and Asian Infrastructure Investment Bank (AIIB) and why they have been more successful in overcoming similar challenges. This is because they prepare country-specific guidelines and have expertise and partners to assess the potential risk of land acquisition. They also develop capacity-building initiatives that support domestic enforcement of property laws that regulate compensation and rehabilitation of affected landowners.

The paper contributes to the evolving policy and institutional debates on how the Indian government, and the Ministry of External Affairs (MEA) in particular, can enhance its expert and technical capacity to engage in future land acquisition processes abroad, especially in the case of Nepal and other neighbouring countries. It makes the case for the Indian government, via MEA, to:

1. Encourage interactions between diplomatic generalists and various domestic Indian expert stakeholders involved in land governance and property rights at the central and state levels. This should help in the development of clear benchmarks for all land- and property-rights related issues involving Indian infrastructure projects abroad.

2. Deepen bilateral engagements between Indian officials and their counterparts in Nepal to exchange best practices on property rights and land acquisition governance, including, for example, digitisation of land records.

3. Coordinate with other national and multilateral development cooperation agencies to exchange best practices and develop Indian guidelines and standards for land acquisition, resettlement, and rehabilitation processes abroad. This could, for example, include the ADB and AIIB or the Japan International Cooperation Agency (JICA), and the United States Agency for International Development (USAid).

# 1. Introduction

Around half of the Indian government's economic assistance to neighbouring countries in South Asia goes to the infrastructure sector, including roads, railways, ports and other projects. Between 2014-18, this total investment in cross-border connectivity amounted to around Indian Rupees (INR) 10,000 crores (approx. US$ 1,461 million).[1] These development cooperation projects are a critical component for India to achieve one of its most important foreign policy objectives: to tie its domestic economy closer to neighbouring countries and accelerate regional integration.

Funded by the Indian government and executed by Public Sector Enterprises (PSEs) or private contractors, most of these infrastructure projects are situated in the neighbouring countries of Nepal, Bangladesh, Bhutan, and Myanmar. However, a vast majority of these investments have faced chronic delays, or even halted, due to a myriad of challenges. Access to unimpeded land in these neighbouring countries is among the most significant reasons why India's infrastructure projects get bogged down. This is due to both the Indian and host governments' lack of expert and technical capacity on land issues – including on managing records, property right frameworks, litigation and lack of enforcement, or deficiencies in surveying.

The Indian government runs these projects through bilateral grant and loan agreements, managed exclusively by the Ministry of External Affairs (MEA) and predominantly by generalist officials from the Indian Foreign Service who often lack technical support and expertise to address land-related issues. Similarly, neighbouring countries often also struggle to deliver on timely acquisition and delivery of unimpeded land to Indian contractors.

These problems have delayed or stalled Indian-funded projects, with significant cost escalation for the Indian government and its public exchequer. Among other obstacles, land acquisition has thus emerged as a major impediment for India to advance its strategic investments in neighbouring country's infrastructure.

This paper examines these issues in the case of Nepal. Focused on in-depth case studies on two Indian-funded projects in Nepal, it surveys the institutional impediments and expertise deficiencies that led to years of delays in the process of land acquisition. Such issues led to protracted problems, on the ground between central, local, public, and private Nepali stakeholders, to occasional tensions in bilateral government relations, and most importantly, to significant escalation in costs to India's public exchequer.

Despite the strategic and economic significance of this issue, no research has been previously conducted on the particular issue of land acquisition and property rights as a source of delay in India's strategic and connectivity objectives in neighbouring countries.

[1] Throughout our paper, we use approximate USD/NPR/INR conversions based on average exchange rates for each specific year available on the websites of the United States' Internal Revenue service (https://www.irs.gov) and the Nepal Rastra Bank (https://archive.nrb.org.np/). Press Trust of India, "India's aid to 6 neighbouring nations totaled over Rs 21,100 crore in 4 years," The Economic Times, August 09, 2018, http://economictimes.indiatimes.com/articleshow/65341395.cms?utm_source=contentofinterest&utm_medium=text&utm_campaign=cppst

This paper is structured as follows. The remainder of this introduction sets out the policy relevance, case choice, sources, and methodology. The second section explains why infrastructure projects are so important in India's new regional connectivity strategy. The third section reviews land acquisition as a major source of delays in India-financed infrastructure projects abroad. Section four focuses on Nepal and India, reviewing gaps in Nepal's land governance framework and, on the Indian side, technical and expertise gaps in project choice and implementation processes.

The fifth and sixth sections respectively present our two case studies in detail, examining the various land-related challenges faced by the Postal Road project and the cross-border Jogbani-Biratnagar railways link. Section seven offers a comparative assessment of how other national and multilateral developmental organizations have addressed similar land-related challenges in Nepal and other neighbouring countries. The last section before our conclusion forwards policy recommendations for India and Nepal to overcome land-related challenges in future collaborative infrastructure projects.

## Policy relevance

This paper does not merely survey the existing regulatory frameworks and practical impediments affecting land acquisition in the case of Nepal. It also makes a contribution to the evolving policy and institutional debates on how the Indian government, and the MEA's Development Partnership Administration (DPA) division in particular, can enhance the execution and effectiveness of its development cooperation projects.[2] This will require expert and technical capacity to address property rights and land acquisition processes abroad, especially in the case of Nepal and other neighbouring countries.

As recognized by a leading expert involved in revising India's development cooperation program, the "DPA is work in progress" and the new processes established less than ten years ago sometimes are "not coherent, [as] officers keep changing, [and] there is no institutional memory."[3] This paper also identifies best practices based on a comparative analysis of other development cooperation agencies in Nepal and across the region that face similar challenges. Such examples may help India to develop its own benchmarks and processes, bridge its technical gaps and ensure timely project implementation abroad.

## Case choice

The paper focuses on two key case studies in Nepal: 1) The East-West Postal road (or *Hulaki Rajmarg*) project; and 2) The Jogbani-Biratnagar cross-border railway line. The two case studies were selected because of India's significant investments in these projects, their strategic relevance in enhancing cross-border connectivity, and – most importantly – the long-term delays in project completion on account of land acquisition, lack of clarity on property rights etc.

Both case studies, while of high strategic importance, highlight various issues faced in land acquisition by stakeholders in both India and Nepal. The Postal Road case study delves into issues related to governmental capacity for project preparation and implementation to overcome land related issues. These include preparing a detailed project report (DPR), land surveying, hiring of the right contractors, and assessing land acquisition needs. The second case study on the Jogbani-Biratnagar railway line highlights gaps in Nepal's land governance and technological framework. It sheds lights on issues related to compensation and resettlement, unclear land records, and political unrest.

[2] Urvashi Aneja and Tanoubi Ngangom, "Learning from the old, preparing for the new: Designing an Institutional Architecture for India's Development Partnerships," (New Delhi: Observer Research Foundation, March 2017), https://www.orfonline.org/research/learning-from-the-old-preparing-for-the-new-designing-an-institutional-architecture-for-indias-development-partnerships/

[3] Comment from expert "F" from a leading think-tank during a closed-door paper discussion, June 23, 2020

## Sources and methodology

Besides secondary sources, our paper is based on 1) qualitative analysis of official documents and reports; 2) interviews with government officials in India and Nepal; and 3) fieldwork on both project sites, including interviews with local stakeholders and affected landowners.

We analysed public records from the Indian side, including from the MEA and contracted companies, the National Highways and Infrastructure Development Corporation Ltd (NHIDCL) and RITES Ltd., for the governmental project agreement and on-ground implementation. We also conducted a survey of official documents by the Nepali central, provincial, and local authorities, as well as their legal frameworks regulating property rights and land acquisition.

We interacted with a wide range of officials from both governments involved in the conceptualization and implementation of the projects. This included officials at the Ministry of External Affairs (DPA and territorial divisions), the Embassy of Nepal in New Delhi, the Embassy of India in Kathmandu, and the departments of road and railways of the Government of Nepal (GoN). We also held a closed-door expert and stakeholders' workshop with both Indian and Nepali participants.

We visited Kathmandu, Biratnagar and Janakpur in Nepal, in February 2020. In Kathmandu, meetings were held with officials from the Nepali government and the Embassy of India, Indian consultants working on both projects (NHIDCL), as well as academic and policy experts on land governance and property rights in Nepal.

The meetings in Kathmandu were important to understand the political and developmental position of the GoN towards India-funded grant projects in Nepal, especially in the Terai region, as well as challenges faced in acquiring land. To understand the micro-level details of these challenges, we also conducted visits to the project sites at Biratnagar and Janakpur, where we met provincial authorities, project consultants and engineers, political leaders, activists, and affected people.

Throughout the paper, we use approximate USD/NPR/INR value conversions based on the United States' Internal Revenue Service and the Nepal Rastra Bank's average exchange rates for each year, available on their respective websites.

# 2. India's regional connectivity strategy

This section puts our Nepal case studies in context: it explains India's new connectivity strategy for the region and why cross-border infrastructure plays such an important role. The dismal state of regional integration in South Asia has its roots in the lack of quality infrastructure. It is estimated that South Asia needs to invest approximately nine per cent of its total GDP on infrastructure development over the next one and a half decades to sustain economic growth and enable regional integration.[4] This explains why most of the infrastructure development in India's borderlands today is centred on the development of transport (road, rail, and inland waterways) and energy networks.

Starting in the 1990s, in line with economic reforms and growing regional interdependence, India's foreign policy began emphasizing the importance of infrastructure connectivity in its borderlands. India's economic assistance to neighbours such as Nepal or Bangladesh, also known as "development cooperation," assumed a more strategic nature, in line with India's priorities to increase mobility and trade across border.

Enhancing regional connectivity is today one of India's top foreign policy priorities, whether with Nepal, Bhutan, Myanmar, Bangladesh or Sri Lanka. Building infrastructure to facilitate trade and enhance connectivity with these countries is a key element of the Neighbourhood First and Act East policies pursued by Prime Minister Modi's government, since 2014.

India's new approach gained importance with China's new Belt and Road Initiative (BRI), announced in 2014, which focused on infrastructure investments worldwide, including in India's immediate neighbourhood. India decided not to sign on to the BRI, but barring Bhutan all of its other neighbours did. This naturally increased the pressure on India to perform better and offer alternatives.

In 2018, speaking candidly before taking charge as Minister for External Affairs, S. Jaishankar thus emphasized the urgency of India embracing connectivity as a geostrategic objective in the immediate neighbourhood:

"From the era when there were charges of [India] being overbearing, today the complaints are of doing too little... Investing in South Asian connectivity is today the smartest move we can make. This is not just an issue of intent; it is even more of delivery. For good measure, that will be compared with the performance of China."[5]

India has, indeed, upgraded efforts to speed up delivery by adopting a multi-pronged approach to regional connectivity. Some notable examples include over a dozen new Integrated Check Posts (ICPs) being constructed or expanded to facilitate trade and mobility along the borders with Nepal, Bangladesh, Bhutan, and Myanmar.[6] The number of railway connections with

[4] Shikha Jha and Rosa Mia Arao, "Infrastructure Financing in South Asia," South Asia Working Papers (59), (Manila, Philippines: Asian Development Bank, September 2018), P. 1, https://www.adb.org/publications/infrastructure-financing-south-asia

[5] S. Jaishankar, "Doing Foreign Policy Differently," (Lalit Doshi Lecture Series, August 3, 2018), P. 13, http://www.ldmf.org.in/pdfs/LDMF%20Booklet%202018%20PDF%20File%20-%20Speech%20-%20Final.pdf

[6] "Road map of ICP's," Land Ports Authority of India, July 18, 2018, http://www.lpai.gov.in/content/innerpage/next-phase.php

Bangladesh increased from just one in 2008 to the current four, with six more being planned.[7]

New Delhi also announced a new Concessional Finance Scheme (CFS) in 2015, which was renewed in 2018.[8] Under the Border Area Development Programme (BADP) and the NHIDCL, India expanded its financial allotments to develop critical infrastructure in 17 border states and raised incentives to foster cross-border economic relations.[9]

India has also begun to coordinate and cooperate with several bilateral and multilateral organisations on regional connectivity in South Asia. For instance, the World Bank has been involved in road development projects in Nepal and Bangladesh, and the Asian Development Bank has been implementing the SASEC multi-modal connectivity plan along India's Eastern coast.

The importance of infrastructure in India's strategy is reflected in the financial effort; this is represented in India's development cooperation with neighbouring countries. Between 2014 to 2018, India's assistance to six neighbouring countries amounted to over INR 21,100 crores (approx. US$ 3 billion).[10] Approximately half of this amount was dedicated towards infrastructure projects.[11]

Our analysis of India's official documents focused on development assistance to four of its six land-based neighbours: Bangladesh, Bhutan, Nepal, and Myanmar (excluding China, Pakistan and Afghanistan). The South Asia total is represented by these four countries and data is sourced from the Ministry of External Affairs' Outcome Budget Documents.

Total assistance is defined as Budget Estimates (BE) and represented as "Outlay" in the source document. "Infrastructure outlay" consists of all major infrastructure projects (roads, rail-links, electricity, hydro-power projects, etc.) that broadly contribute to cross-border connectivity between India and its neighbours. Figures 1, 2, and 3 represent only Indian *outlays* in the neighbourhood; they do not represent *actual expenditure* figures but allow for an approximation.

Our analysis of India's investment in key infrastructure projects in these four land-based neighbours reveals two trends for 2014-15. First, 86% of the development outlay for these four South Asian neighbours was allocated specifically to infrastructure projects (Figure 1). Second, 73% of total outlay allocated to Nepal was for infrastructure projects. The largest share (39%) of this went to the Postal Road project (Figure 3).

[7] "India-Bangladesh rail links closed after 1965 war with Pakistan will reopen: Sheikh Hasina" DD News, October 17, 2019, http://ddnews.gov.in/national/india-bangladesh-rail-links-closed-after-1965-war-pakistan-will-reopen-sheikh-hasina

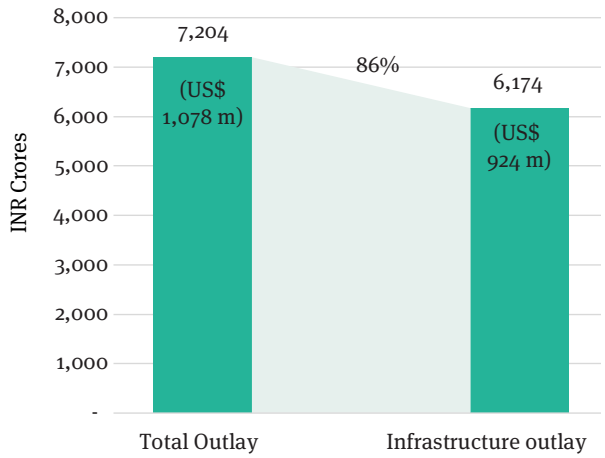
[8] Press Information Bureau, Ministry of Home Affairs, Government of India, "Cabinet approves extension of Concessional Financing Scheme (CFS) to support Indian entities bidding for strategically important infrastructure projects abroad," August 1, 2018, https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1541088

[9] Press Information Bureau, Ministry of Home Affairs, Government of India, "Assistance under border area development programme," July 16, 2019, https://pib.gov.in/newsite/PrintRelease.aspx?relid=191773

[10] "India's aid to 6 neighbouring nations totaled over Rs 21,100 crore in 4 years," op-cit.

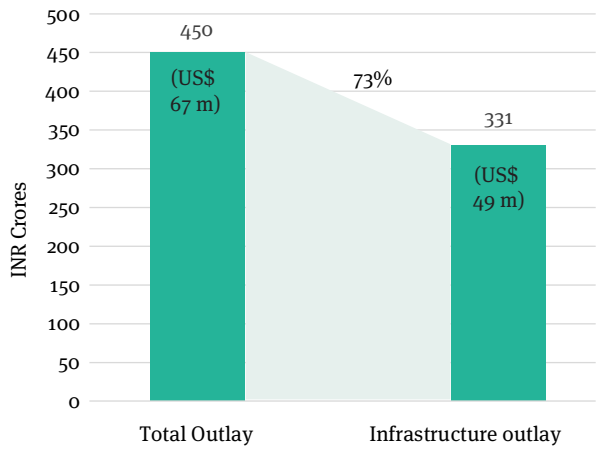
[11] Angshuman Choudhury and Ashutosh Nagda, "How India Funds the World: Financial Assistance in the Immediate Neighbourhood," EPW Engage, Vol. 54. Issue no. 22, (June 01, 2019), https://www.epw.in/engage/article/how-india-funds-world-financial-assistance

**Figure 1: Share of Infrastructure in India's Assistance to Bangladesh, Bhutan, Myanmar, Nepal (2014-15)**



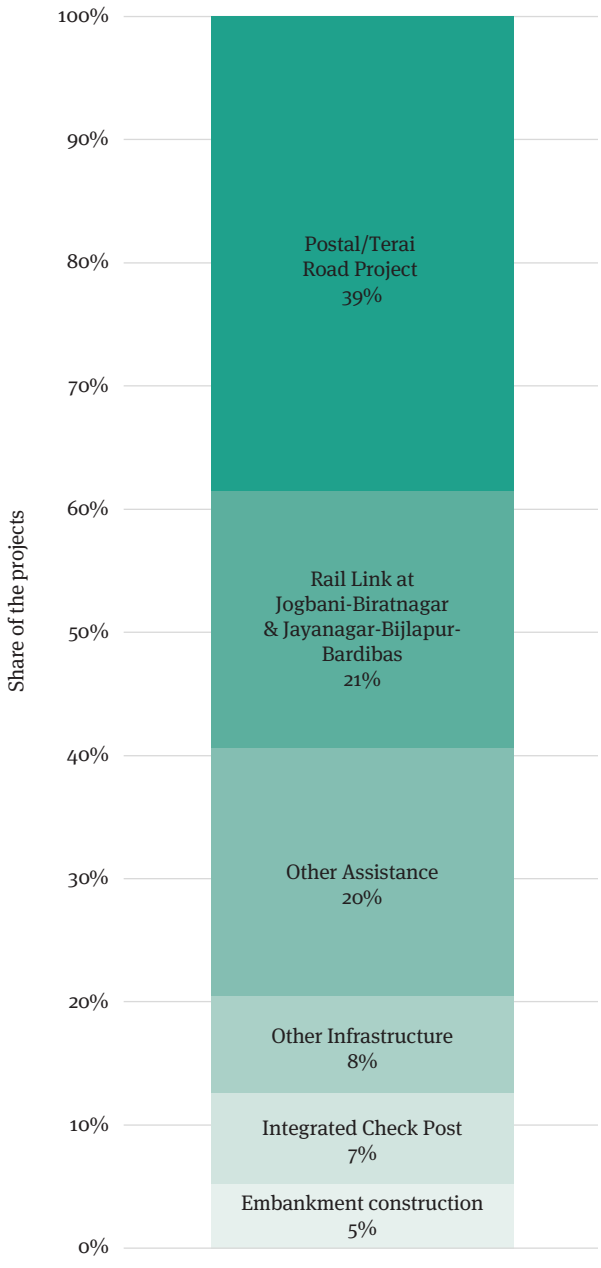

Source: Outcome Budget 2016-17, Ministry of External Affairs, New Delhi, http://mea.gov.in/Uploads/PublicationDocs/26823_1-MEA_Outcome_2016-17_English_1.pdf

**Figure 2: Share of Infrastructure in India's Assistance to Nepal (2014-15)**




Source: Outcome Budget 2016-17, Ministry of External Affairs, New Delhi, http://mea.gov.in/Uploads/PublicationDocs/26823_1-MEA_Outcome_2016-17_English_1.pdfW

**Figure 3: Indian Infrastructure Assistance to Nepal, Project-wise (2014-15)**




Source: Outcome Budget 2016-17, Ministry of External Affairs, New Delhi, http://mea.gov.in/Uploads/PublicationDocs/26823_1-MEA_Outcome_2016-17_English_1.pdf

# 3. When land comes in the way

Responding to a question at a conference in early 2020, on whether Indians "are good talkers, [but] ... not great builders," India's Foreign Minister, S. Jaishankar was quick to dismiss it as a "somewhat unfair observation." While he emphasized recent improvements in implementation capacity, he however also conceded that "India is a prisoner of its past image" and that "we have to leave that behind now."[12]

India's development cooperation with partner countries has, indeed, witnessed a recent up-tick in delivery on the ground. India sees itself as a contributor to global infrastructure but its capacity to deliver has been plagued by a history of long-term delays and other challenges, adding to costs and affecting India's reputation.

There are many causes for such delays. Sometimes, the host government does not share India's sense of strategic priority or a change in leadership creates political hurdles. In other cases, as for example in the India-Myanmar multi-modal Kaladan project, the volatile security context and insurgent violence pose another hurdle.

In the particular case of Nepal, Indian officials often underline the lack of political investment from the host government. This suggests that more than just capacity challenges to address land-related issues, the Nepal government was also driven by "underlying political motives" relating to the country's internal identity politics and foreign policy: in the analysis of one official, it is this varying local "level of enthusiasm" that explains why some India-funded projects get bogged down due to land acquisition, even while other projects are completed in a timely way with swift clearance processes.[13]

For one former Indian ambassador to Nepal, the land acquisition delays must thus be understood in the "larger context of political resistance of Kathmandu to greater linkages between Nepal and India." By holding the levers over land acquisition and other regulatory challenges, this official suggests that the GoN can either speed up or slow down Indian projects, depending on its domestic political or foreign strategic interests. In the case of the Postal Road project, he argues that the GoN was slowing down the process since it was "not a political priority" and mostly a developmental demand from the Madhesi minorities who wanted better connectivity along and across the border with India.[14]

It is important to recognize this political and strategic dimension, particularly salient for India in the context of its smaller neighbours like Nepal. But one cannot reduce infrastructure delays only to Nepal's volatile or even hostile political intent. Beyond the macro-strategic, political, and security context, it is the unimpeded access to land that poses one of the most significant causes for delays in India-financed infrastructure projects. This is not unique to the case of India: other development agencies, whether nationals like Department for International Development (DFID) or multilaterals like the Asian Infrastructure Investment Bank (AIIB), frequently

[12] Ministry of External Affairs, "External Affairs Minister in Conversation at Raisina Dialogue 2020: The India Way," January 16, 2020, https://mea.gov.in/interviews.htm?dtl/32305/External_Affairs_Minister_in_Conversation_at_Raisina_Dialogue_2020__The_India_Way

[13] Inputs via e-mail correspondence with a former GoI/MEA official "A", June 20, 2020.

[14] Comments from former GoI/MEA official "B" during a closed-door paper discussion, June 23, 2020.

list land acquisition as the highest risk factor in their own infrastructure projects in South Asia.[15]

Land acquisition and property rights in neighbouring countries are seen as one of the major causes for such delays and consequent cost escalations. Such obstacles are not unique to India, Nepal, or South Asia. Land acquisition has come in the way of many other international and multilateral infrastructure projects, as noted in a comparative study by the Asian Development Bank.[16]

The process of acquiring land by the government is complex, especially if foreign or private actors are involved. In South Asia, Indian projects are particularly sensitive, prone to political agendas and consequent opposition. However, even while India is more exposed politically, the nature of difficulties it faces relating to land acquisition, compensation, and rehabilitation are similar to those faced by any other developmental partner, whether the World Bank or the AIIB.

As observed in an ICRIER survey of Indian Public Sector Enterprises (PSEs) and their private counterparts investing abroad, acquiring land remains the most significant challenge for the GoI to attract them to finance or implement strategic infrastructure projects abroad:

"The process to acquire land for carrying out businesses is another barrier that companies face while trying to expand in foreign markets, especially since many of them are engaged in infrastructure and mining projects. ... Land acquisition restrictions and delays often discourage Indian PSEs from venturing into these markets even if they have huge investment potential."[17]

Globally, as more multilaterals and private enterprises look at land rights, it is important that the GoI also realises that land needs to be brought to the centre of development cooperation discussions, especially on strategic connectivity infrastructure in the neighbourhood.

[15] "Project Document of the Asian Infrastructure Investment Bank, Sovereign-Backed Financing, People's Republic of Bangladesh Sylhet to Tamabil Road Upgrade Project," (Beijing, China: Asian Infrastructure Investment Bank, March 13, 2020), P. 26, https://www.aiib.org/en/projects/details/2020/approved/_download/Bangladesh/20200402-P000153-Sylhet-Tamabil-Road-Upgrade-Published-Document.pdf.

[16] Naoyuki Yoshino, Saumik Paul, Vengadeshvaran Sarma, and Saloni Lakhia, "Land Acquisition and Infrastructure Development through Land Trust Laws: A Policy Framework for Asia," Working Paper (854). (Tokyo: Asian Development Bank Institute, 2018), https://www.adb.org/publications/land-acquisition-and-infrastructure-development-through-land-trust-laws

[17] Arpita Mukherjee, Angana Parashar Sarma, Ankita Barah and Arush Mohan, "Public Sector Enterprises in India: Enhancing Geo-Strategic Reach and Exports," Working paper (388), (New Delhi: Indian Council for Research on International Economic Relations, April 2020), P. 28, http://icrier.org/pdf/Working_Paper_388.pdf

# 4. Land acquisition: Nepali and Indian gaps

India's development cooperation with Nepal has had a tremendous socio-economic impact. Building roads, railways, and power-sector infrastructure has been an essential part of India's diplomacy in Nepal. Over the years, the MEA used various financial mechanisms to fund such development cooperation – grants, loans, lines of credit etc. – and has adopted several different modalities for project completion, such as GoI-funded-GoI-implemented or, more recently, also GoI-funded-GoN-implemented.[18]

At the same time, there have been also significant challenges, leading to the popular perception in Nepal that India is unable to deliver on its various commitments. For instance, the cost of the Postal Road project in Nepal is estimated to escalate by approximately INR 100 crores (approx. US$ 14 million) due to delays in land acquisition over more than ten years.[19]

Unfortunately, there is no research on how land acquisition can hinder Indian development cooperation projects, whether in Nepal or in any other country. One of the few reports comprehensively assessing Indian infrastructure projects in Nepal notes that in conversations with stakeholders, "land acquisition was highlighted as an important challenge in implementing [India's] connectivity projects."[20] But no specific study examines this issue, in particular.

Since the 1950s, successive Nepali and Indian governments have been unable to work out an efficient model to deal with land acquisition in Nepal. While these challenges are not unique to Nepal and India, they require a closer examination. Why have issues relating to land acquisition become such a persistent challenge? Two broad reasons stand out. On the Nepali side, the archaic legal framework regulating land and property rights, including compensation and resettlement, has proved to be a major hurdle. On the Indian side, conversely, the major problem has been an archaic development cooperation system that lacks technical clauses, expert assessment and standards to mitigate the high risks relating to land acquisition abroad.

Together, these two reasons help explain why India-financed infrastructure projects in Nepal have a greater propensity to get delayed than similar projects supported by Japan, the United Kingdom or multilateral organizations such as the World Bank or the Asian Development Bank.

[18] Ministry of External Affairs, Parliament Questions and Answers, https://www.mea.gov.in/lok-sabha.htm?dtl/27078/QUESTION+NO554+RAILROAD+CONNECTIVITY+WITH+NEPAL

[19] Interview with GoN/Department of Roads official "C", 10 February 2020, Kathmandu.

[20] Sanjay Pulipaka, Akshaya Sree N R, M Harshini, Deepalakshmi V R, Krishi Korrapati, "India's Development Assistance and Connectivity Projects in Nepal," (New Delhi: Indian Council for Research on International Economic Relations, May 20, 2018), P. 31.

## Gaps in Nepal's land governance framework

On the Nepali side, land acquisition has stalled or delayed many projects due to the archaic, volatile, and complex land governance framework. The country has had seven constitutions over the past seventy years. It witnessed a civil war between 1996 and 2006 that disrupted administration in up to two thirds of the territory.

The various legal documents formulated to cater to land reform have been formulated since the dawn of democracy in the 1950s. Chart 1 lists the several constitutional acts, policies, and judicial rulings that remain in place, often with successive amendments and contradictory provisions.

Article 25 of the Constitution of Nepal, 2015, establishes a) the fundamental rights of the citizens and b) the eminent domain of the state regarding the acquisition of property for public use. Article 17 of the constitution also includes personal liberty as a fundamental right: however, contrary to the earlier constitution wherein right to property was included within the right to personal liberty, the new constitution includes right related to property as a separate fundamental right.

Article 25 also establishes the rights of a citizen to acquire, own, sell, dispose, acquire business profits from, and otherwise deal with property. It lists clauses that clearly establish general provisions relating to the eminent domain, including that private property cannot be acquired without providing compensation even if it is for public use; and that the ownership of the private property acquired after giving compensation lies in the government and the previous owner of the property has no claim over it.

However, many eminent domain land acquisition cases have been reviewed and/or appealed the courts of law when the due process of law as spelled out by the various acts governing acquisition of land are not strictly followed or ambiguous. In the cases mentioned in Chart 1, the courts have mostly decided in favour of the petitioners due to

### Chart 1: Land Acquisition in Nepal

**Acts and Policies**

1. The Land Act (1964)
2. Land Acquisition Act (1977)
3. Land Revenue Act (1978)
4. Immovable Property Acquisition Act (1956)
5. Auditor General Report on Laws, Procedures and Legal Perspectives for Land Acquisition for Public Use
6. Eminent Domain in Nepal
7. Public Road Act (1974)
8. Highway Act (1964)
9. Urban Development Act (1988)
10. Kathmandu Valley Development Authority Act (1988)

**Supreme Court Cases**

1. Mahantalal Shrestha vs Government of Nepal, Office of Prime Minister and Council of Ministers
2. Jagat Hada vs Office for Industrial Area Management, Bhaktapur
3. Ramesh Bhatta vs Government of Nepal, Ministry of Industry, Kathmandu
4. Bishnulal Lamichhane vs Government of Nepal, Office of Prime Minister and Council of Minister, Kathmandu
5. Dilli Prasad Prasai vs Office of the Prime Minister vs. Council of Minister, Kathmandu
6. Nirmala Devi Mahato vs Office of Janakpur Municipality, Janakpur, Dhanusha

irregularities in due process adopted by the government agencies. The various acts and policies related to land acquisition also include inherent challenges.

The Land Act (1964) establishes the property rights of landowners and tenants in Nepal. The Act abolishes the *jamindari* system and sets an upper ceiling for individual land ownership in different regions.[21] For instance, in the Terai region the ceiling for land-ownership is 10 bigha, whereas in Kathmandu, it is 25 Ropani.[22] For a tenant, the ceiling is lower. The Act also lays out punishment for failing to comply with the ceiling as well as exception for the public-sector owned land. Section 26H proposes setting up a value fixation committee (VFC) in a district (to set up the value of land) consisting of a land revenue officer, chairperson of the village development committee, ward member of the municipality, and an officer level employee of the district administration office.[23] But the Act is unclear on the factors that the VFC must take into account while fixing value of a land.

The Land Revenue Act (1978) necessitates the establishment of a Land Revenue Office (LRO) in each district by the Ministry of Land Reform and Management.[24] The LRO is responsible for registration of land and maintaining all land records (surveys and measurement) in pursuance of the Land (Survey and Measurement) Act, (1962). This primarily serves the purpose of taxation based on minimum value of the land as determined by the VFC set up by the GoN. The Cadastral Survey Division of the Ministry of Land Reform and Management started the process of digital cadastral mapping in 2011.[25] The process is incomplete and currently ongoing in many districts.

The Land Acquisition Act (1977) establishes the process for eminent domain of the government for land acquisition (see Chart 2). It also enlists the structure of the compensation determination committee (CDC), to include the Chief District Officer; the Chief of the land revenue office; the project-in-chief (if land is acquired for a project); and a representative of the district development committee.[26]

### Chart 2: Process of Land Acquisition and Compensation in Nepal as per The Land Acquisition Act 1977

1. Report submission of land-use feasibility and passing it on to a local district officer
2. The local officer issues a notification regarding the land to be acquired stating the purpose and land details
3. The land-owner gets 15 days to claim compensation
4. Within a period of 9 days from the notification, the land-owner can also file a complaint with the Ministry of Home, Kathmandu, explaining why his/her land should not be acquired
5. Establishment of a local CDC. The CDC considers the market value of the land as well the cost of any losses.
6. The CDC notifies the GoN regarding the compensation fixed.
7. Once the landowner agrees to the compensation, the transfer of land title to the GoN or public institution takes place.
8. If the land remains unused, the Act also allows for the GoN to return the land to the previous titleholder.

[21] "The Land Act (1964)," Pg. 8, http://extwprlegs1.fao.org/docs/pdf/nep6239.pdf
[22] 1 bigha = 1.6 acre and 1 Ropani = 0.125 acre
[23] The Land Act (1964)," Pg. 34
[24] "Land Revenue Act (1978)," Chapter 2
[25] Cadastral Survey Division, Ministry of Land Reform and Management, Government of Nepal, accessed on 15 July 2020, http://dos.gov.np/cadastral-survey-division
[26] "Land Acquisition Act (1977)," Pg. 9.

However, the functioning of the CDC is often opaque, with no representation from the project affected families at the deciding stage. The process of compensation determination is thus not always inclusive nor transparent. This has led to many cases being contested in the court (chart 2). This issue is particularly relevant for Indian projects because the absence of social impact assessment norms poses further challenges, unlike many projects funded by other foreign development cooperation organizations.

More than six decades after the first legal documents were formulated on land use and land reform, Nepal and its development sector are still facing delays and obstructions caused solely by issues related to land. The two case studies in this paper illustrate the challenges faced by India-financed infrastructure projects. Although land use regulations, standards, and entities are formally in place, a few specific challenges stand out:

- Gaps in the process of land acquisition and compensation: lack of transparency and coherent implementation of existing regulations.[27]

- Overlapping governance tiers: the land acquisition process has travelled across different tiers of governance in the past, from the central government to the district level. Nepal's new federal constitution, with the creation of seven new provinces, has further complicated the allocation of powers across different tiers.

- Lack of clarity in land valuation: None of the acts and policies mentioned above delineate the variables of land valuation determination, leading to ad hoc decision-making. This has led to artificial cost and compensation inflation driven by real estate interests and political backing.[28] Lack of correct spatial data infrastructure further exacerbates this.

- Resettlement action plans have been prepared by Nepal authorities for specific foreign partner countries and agencies, for example the Japan International Cooperation Agency (JICA), but are not always commissioned and/or feasible.[29]

- Nepal has adapted to external actors' different norms, standards, when it should be the other way around. This particularly holds true for the multilaterals' (such as the World Bank) funded projects wherein the resettlement action plans go beyond national laws to include "non-title holders" of land for the compensation process.[30] This ad hoc approach reveals the weaknesses in Nepal's land governance framework.

- At the highest level, Nepal continues to struggle with incomplete land reforms, with land acquisition, compensation, and resettlement processes reflecting structural and socio-economic inequalities.[31]

[27] Subash Ghimire, Arbind Tuladhar and Sagar Raj Sharma, "Governance in Land Acquisition and Compensation for Infrastructure Development," *American Journal of Civil Engineering*. Vol. 5, No. 3, (2017): Pp. 169-178, doi: 10.11648/j.ajce.20170503.17

[28] Subash Ghimire, Arbind Tuladhar, Sagar Raj Sharma, "Land Valuation and Management Issues in Nepal," FIG – ISPRS workshop, 2015: International Workshop on Strengthening Opportunity for Professional Development & Spatial Data Infrastructure Development. Kathmandu, Nepal, 25th-27th November, 2015 https://www.fig.net/resources/proceedings/2015/2015_11_nepal/T.S.6.5.pdf

[29] "Resettlement Action Plan - Suryabinayak- Dhulikhel Road Improvement Project," (Kathmandu: Department of Roads, Govt of Nepal for JICA, 2018), https://www.jica.go.jp/english/our_work/social_environmental/id/asia/south/nepal/c8hovm000090s21s-att/c8hovm0000dpxcy5.pdf

[30] "Nepal Road Sector Development Project: Environmental and Social Management Framework, Resettlement Policy Framework/ Chapter 7," (Washington, DC: The World Bank, April 2007), P. 6, http://documents1.worldbank.org/curated/en/690461468061736799/pdf/IPP2450VOL-01.pdf

[31] Jagannath Adhikari, "Contentions And Prospects of Land Reform In Nepal: A Historical Review," *Nepal Journal of Social Science and Public Policy*, Vol 1 (1), (2011), Pp. 17-31, http://www.nepalpolicynet.com/images/NewAngle/Vol1/Adhikari_Land%20reform%20in%20Nepal.pdf

## Beyond politics and strategy: India's technical gaps

As noted in the previous section, Nepali political support is an important factor in ensuring that land acquisition, compensation, and rehabilitation is successful for Indian-supported infrastructure projects. This makes it particularly difficult for India, but it does not set it apart. Compared to other development cooperation organizations, India still falls short when it comes to setting clear technical standards or extending financial or capacity-building assistance so that the GoN ensures a timely, transparent, and fair land acquisition process.

The creation of the DPA division, under the MEA in 2012, has enhanced Indian diplomacy's expertise to decide, set up, monitor, and evaluate strategic infrastructure projects. In particular, it is beginning to create an expert cadre of officers from across the Indian government, including specialized technical services, to deal with the complex regulatory, legal, and other hurdles during land acquisition processes in foreign countries.

But compared to other development organizations, the DPA still struggles to develop its own processes and standards. According to one former MEA official, the Indian developmental system is "event-oriented," driven by political momentum and thus lacking follow up on the ground, as well as the technical know-how to assess, select, and implement infrastructure projects abroad.[32] For many years, infrastructure projects were overseen by generalist diplomats driven by Indian political and strategic imperatives in Nepal, rather than by a technical and developmental logic. This naturally reflected in India's DPRs, land surveys, and risk assessments being either faulty or absent, a mere "formality" in the words of a former MEA official who oversaw the Postal Road project in Nepal:

"the grant that was laid - why it was done this way was [because of the] India-Nepal politics of that time. RITES [the consultants] was just to complete the [DPR] formalities... there were, of course, construction faults right from the beginning, but the objective was something different. It was not a domestic economic cost-benefit kind of business here."[33]

Other officials highlighted a myriad of other implementation challenges: the L1 criterion (lowest-bidder-wins) to award contracts even if companies don't have the expertise to operate abroad; the lack of inter-governmental agreement on provisions to cover cost escalation due to change in land prices or legal processes; or delays in internal MEA accounting and financial processes to compensate contractors.[34] But at the root of all these problems lies the issue of ensuring unimpeded access to land to proceed with construction. In the words of one Indian official, who served in Kathmandu:

"Land is a critical issue. Indian contractors wanted 90% acquisition with clear right of way prior to beginning construction. They also wanted additional stretches on both sides of the road. The Nepalese felt this was unrealistic and said that acquisition would continue in phases as construction progresses. So also right of way."[35]

To avoid such problems with land and local property rights, according to another former official, "technical expertise need[s] to be created" to better deal with land acquisition. He recalls the example of how consultants RITES "did not do a good job, [with] problems in surveys" in the case of the Postal Road in Nepal. The problems with Nepal's land governance and property rights framework, surveyed above, make it all the more important for India to be supportive and proactive, even if only to avoid delays and cost escalation affecting its strategic interests

[32] Comments from former GoI/MEA official "B" during a closed-door paper discussion, June 23, 2020.
[33] Interview with a former GoI/MEA official "E", February 7, 2020.
[34] Inputs via e-mail correspondence with a former GoI/MEA official "G", July 1, 2020.
[35] Inputs via e-mail correspondence with a former GoI/MEA official "G", July 1, 2020.

and reputation. Nepal's new federal constitution has further complicated the state's capacity to ensure that India-financed projects get access to unencumbered land even while satisfying the interests of local landholders.

However, as illustrated in the two case studies below, India's hands-off approach has clearly not been working. From the moment Indian consultants prepare a DPR and survey land, as in the case of the Postal Road in the 2000s, India becomes a de facto stakeholder in the process of land acquisition, even if unwillingly. It is thus in India's interest to develop its own technical expertise on Nepal's land issues, as well as clear norms and standards, that are transparently enforced early on to reduce risk.

As in the case of any other external developmental partner, the Indian government must naturally be cautious about being seen as interfering in the complex and sovereign processes of land and property-rights related issues. Particularly in neighbouring Nepal, this will remain a sensitive issue. This can be tackled by India playing an indirect role of capacity-building, supporting Nepal through closer dialogue, exchange of best practices, and technical training on land and property rights-related issues.

It is also important to recognize that the gaps and challenges in Nepal's land and property rights governance framework are not that different from India's. Contrasting with India's case where it is a state matter, in Nepal land legislation and property rights are under the purview of the central government. Otherwise, most infrastructure projects in India are also plagued by a contested and protracted land acquisition processes. A seminal study on the issue, by the Land Rights Initiative at the Centre for Policy Research, concludes that high levels of litigation and pendency reflect the "inherently coercive nature of the process, which creates a severe imbalance in power between the state and land losers."[36]

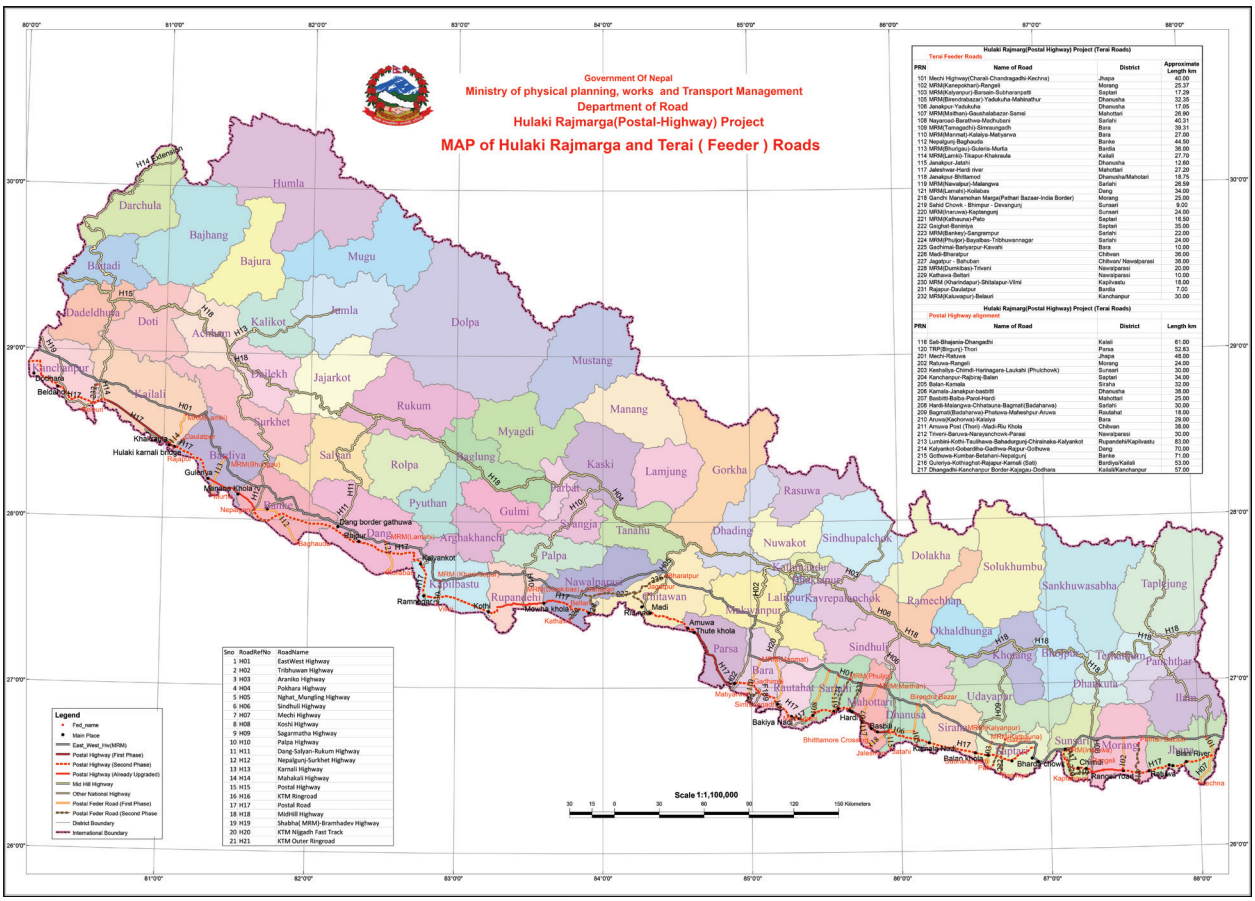
Rather than transplanting its own regulatory framework to Nepal and other countries, India's diplomatic interests should shape their capacity-building initiatives as developmental partnerships fostering the exchange of knowledge and best practices between equal partners. This approach is also in line with India's approach to South-South development cooperation, regulated by the cardinal principle of partnership.[37]

[36] Namita Wahi, Ankit Bhatia, Pallav Shukla, Dhruva Gandhi, Shubham Jain, and Upasana Chauhan, "Land Acquisition in India: A Review of Supreme Court Cases (1950-2016)," (New Delhi: Centre for policy Research, 2017), P. 39, https://www.cprindia.org/system/tdf/policy-briefs/Land%20Rights%20Report%20Final.pdf?file=1&type=node&id=5891&force=1

[37] Sachin Chaturvedi, *The Logic of Sharing* (Cambridge: Cambridge University Press, 2015), https://www.cambridge.org/core/books/logic-of-sharing/CC04EC16FB51B8C2DA7431247052E2B0

# 5. Case study: Postal Road (Hulaki Rajmarg)

**Map 1: The Postal Road Project in Nepal**




Source: Department of Roads, Government of Nepal.

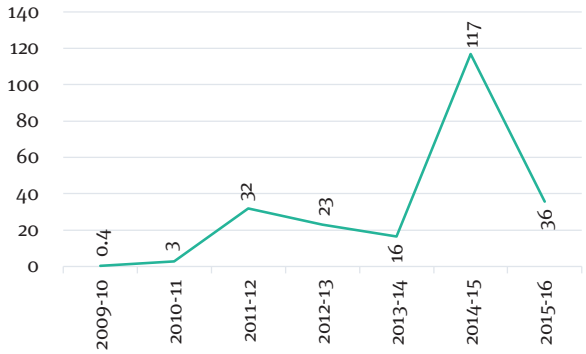
The Postal Road, or *Hulaki Rajmarg*, runs across the Terai region of Nepal from Kechana Kawal, Jhapa, in the east to Dodhara, Kanchanpur, in the west (see Map 1). The total length of the road is 1,792 km. It is the lifeline of the Terai-Madhes region, linking the highly populated but sparsely connected areas in the border region of Nepal. It is the oldest modern road in the country, initially constructed to aid postal services. Development of the Postal Road and the feeder roads (together known as Terai roads) is expected to provide ease of access between India-Nepal

border regions and Nepal's east-west highway, situated further North, also in the Terai.[38]

The project dates back to 1991, when Indian Prime Minister Chandra Shekhar visited Kathmandu, Janakpur and Biratnagar and gave an assurance that India would support the renovation of the Postal Road in twenty Terai districts. As a follow up, a high-level task force met thrice in August, September, and October 1991 and recommended the construction of the Biratnagar-Rangreli-Jhapa road.[39] Today, this road forms part of the 19 postal road stretches identified in the 2010 MoU between Nepal and India.

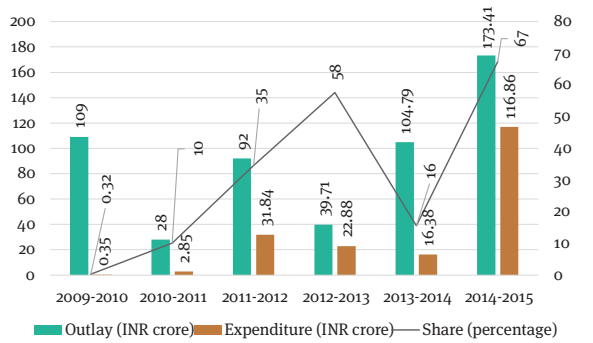
The project was revived in the 2000s because, as per an Indian official involved at the time, the Postal Road "fitted well" into New Delhi's larger connectivity plans between India and Nepal.[40] As a grant-in-aid project, it was overseen by the Ministry of External Affairs. Between 2009 and 2016, the MEA spent approximately INR 227 crores (approx. US$ 32 million). The year 2014-15 saw the highest peak in expenditure, for the Postal Road project at INR 117 crore or approximately USD 17 million (Figure 4). Additionally, the gap between the outlay and expenditure for the project has been significantly high (Figure 5), highlighting issues in implementation delays or release of funds by the MEA. The Postal Road project is a case study that not only reflects the diverse mechanisms and modalities applied by the GoI, but also holds important lessons on implementation challenges relating to land acquisition.

**Figure 4: Indian Expenditure for Postal Road project (2009-16, INR crore)**




Source: Outcome Budget documents between 2010-11 and 2016-17, Ministry of External Affairs, New Delhi, https://mea.gov.in/budget.htm?59/Budget

**Figure 5: Postal road Project Outlay and Expenditure by India (2009-15, INR Cr and percentage)**




Source: Outcome Budget documents between 2010-11 and 2016-17, Ministry of External Affairs, New Delhi, https://mea.gov.in/budget.htm?59/Budget

[38] "Being Together Growing Together: India-Nepal Economic Cooperation," (Kathmandu: Embassy of India, *n.d*), P. 40, https://www.indembkathmandu.gov.in/docs/nepal.pdf

[39] Sangeeta Thapliyal, "Prospects under a democratic Nepal," in *Mutual Security: The Case of India-Nepal*, (New Delhi: IDSA and Lancer Publishers, 1998), P. 159.

[40] Comments from former GoI/MEA official "B" during a closed-door paper discussion, June 23, 2020.

## MoUs and land acquisition in 2010 and 2016

In 2006, RITES Ltd was hired as the consultant to prepare a detailed project report (DPR) for the construction of the Terai roads. This was followed by an India-Nepal MoU in 2010 for "strengthening of road infrastructure in the Terai region."[41] Twenty roads (Terai and feeder roads) covering 650 kms were identified to be completed at an estimated cost of INR 700 crores (approx. US$ 153 million).[42] This MoU followed the modality of GOI-funded-GOI-implemented and it envisaged the project to be completed by 2014.[43]

The MoU also mandated that the GoI would appoint consultants and contractors for the project. RITES assisted in the selection of the same and hired contractors such as GR Infra and Vishwa Infra.[44] The project was envisioned in three phases: the first phase comprised of construction of 19 stretches of a total length 605 Km, sub-divided into six different contracts (also known as "packages").

According to the 2010 MoU, the GoI would extend both financial and technical assistance.[45] Article II of the MoU excluded bridges along the roads from the purview of the project, whereas article VI stated that the GoN would provide the GoI-selected contractors land for the road construction free of cost and any encumbrances.

Furthermore, Article VII of the MoU established that any matter related to access to land and payment of compensation or disputes would be addressed solely by the GoN.

Several challenges related to land, the DPR and contractors caused delays in the project. The 2010 MoU did not specify minimum land availability for construction of the project and thus, ran into issues as land was not always available to begin construction. Additionally, there were issues between the consultants and the Indian contractors working on the project, due to which most contractors abandoned the project in Nepal. As a result, only one package (package 1) comprising of two roads (total approx. 71 Km) could be completed with GoI's grant assistance worth NPR 1.02 billion (approx. US$ 9 million).[46] The roads were inaugurated on 19 January 2017.[47]

The problematic 2010 MoU for the Terai roads was replaced with a new MoU in 2016.[48] Changes included replacing RITES with NHIDCL as the consultant, and initiation of a joint venture between the Nepali and Indian contractors for project implementation. Based on the previous experience, the 2016 MoU also mandated that the GoN must make available 90% of encumbrance-free land *before* the project goes up for tender.[49]

[41] "MoU between the Government of India and the Government of Nepal regarding strengthening of infrastructure in the Terai region of Nepal," Ministry of External Affairs, New Delhi, January 15, 2010, http://mea.gov.in/Portal/LegalTreatiesDoc/NP10B2680.pdf

[42] Anasua Basu Ray Chaudhury and Pratnashree Basu, "India's Connectivity with its Himalayan Neighbours: Possibilities and Challenges" (Kolkata: Observer Research Foundation, 2017), P. 21, https://www.orfonline.org/wp-content/uploads/2017/07/ORFKolkata_Report_India-Himalaya.pdf

[43] Sharmadha Srinivasan, "Assessing India's infrastructure aid diplomacy," (Mumbai: Gateway House, March 19, 2015), https://www.gatewayhouse.in/assessing-indias-infrastructure-aid-diplomacy/

[44] "Slide 16, for contract package 1," *G R Infraprojects Limited*, https://grinfra.com/wp-content/uploads/2017/05/GRIL-CONSTRUCTION.pdf "Milestone Projects, For contract package 4," *Vishwa Infrastructures and Services Pvt Ltd*, http://vishwainfra.com/milestone.html

[45] 2010 MoU, P. 8, op-cit.

[46] Ministry of External Affairs, "India-Nepal Joint Statement during the State visit of Prime Minister of Nepal to India," (Joint Statement, New Delhi, September 16, 2016), https://www.mea.gov.in/bilateral-documents.htm?dtl/27407/IndiaNepal_Joint_Statement_during_the_State_visit_of_Prime_Minister_of_Nepal_to_India

[47] Embassy of India, Kathmandu, "India releases NPR 470 million to government of Nepal for Postal Highway Project", August 14, 2018, https://www.indembkathmandu.gov.in/news_letter_detail/?id=13

[48] Ministry of External Affairs, "Visit of Prime Minister of Nepal to India (Feb 19-24, 2016)" (Press release, New Delhi, February 12, 2016), https://www.mea.gov.in/press releases.htm?dtl/26352/Visit+of+Prime+Minister+of+Nepal+to+India+February+1924+2016

[49] Sanjay Pulipaka, et al. P. 18, op-cit.

Additionally, the GoN amended the DPR of RITES slightly, identified ten out of the seventeen remaining roads and divided them into 14 packages with a total length of 305.89 Km.[50] To build or upgrade these 10 roads, the GoI committed INR 500 crores ( approx. USD 71 million). As of early 2020, seven out of 14 packages were ready, with five more expected to be completed by the end of 2020. However, the two packages on the Birgunj-Thori stretches continued to face significant challenges due to defects in the route alignment, land acquisition, shifting of electricity poles, cutting of trees on the right of way, and contractor related issues. [51]

## Land-related issues in the project

1. **Unavailability of land:** Despite the provision for 90% land availability in the 2016 MoU, less than 50% of the land was made available by GoN during the tendering process.[52] This affected the process of widening of the road width from 7m to 15m, as the adjacent land had to be acquired.

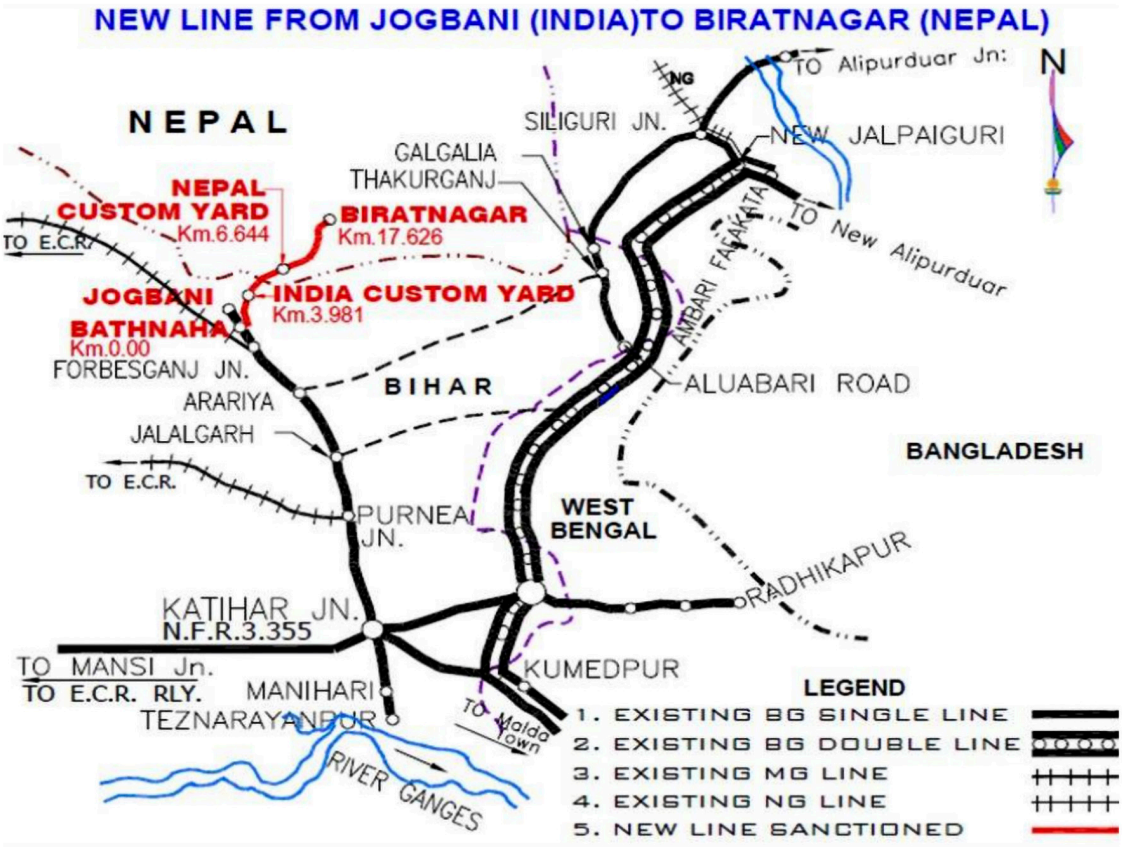
2. **Encumbrance on the roads:** The land made available by GoN was not encumbrance free, with the existence of a few electric poles, water pipelines and trees on the carriage way at some stretches. The Department of Roads, GoN, has to coordinate with the Nepal Electricity Authority (NEA) for removal of these poles and paying compensation. However, lack of coordination has led to delays in removal of these obstructions.

3. **DPR's land alignment** led to delays in land acquisition: At some chainages, canals are flowing from the middle of the road (for example, at the Birgunj-Thori 2 stretch), whereas at others it is located at an intermediate location (Kalyanpur – Subhranpatti). At Janakpur, Nepal Railway asked the project directorate to build the road along the boundary line of the railway station as the land belongs to Nepal railway (500 m); however, villagers did not allow for a change in alignment because compensation was already given by GoN for the original alignment. This reflects inconsistencies in the DPR finalized by GoN before the projects were tendered for award of work contract in 2016 and associated challenges in completing the work by contractors.

[50] "Status of contract 1-11-2018," National Highways and Infrastructure Development Cooperation Limited, https://nhidcl.com/wp-content/uploads/2018/11/Nepal.pdf
[51] Interview with GoI/MEA and NHIDCL representatives "H" and "I," February 10, 2020, Kathmandu.
[52] Interview with NHIDCL representative. February 10, 2020, Kathmandu.

# 6. Case study: Jogbani-Biratnagar railway link

**Map 2: Jogbani-Biratnagar railway link**




Source: Northeast Frontier Railway (Construction), Indian Railways

The Jogbani (India) – Biratnagar (Nepal) railway link is a broad-gauge railway line that runs parallel to the recently inaugurated Jogbani-Biratnagar Integrated Check Post (ICP). The project is being implemented with the technical and financial assistance of India and is monitored by a Project Steering Committee headed by the Joint Secretary DPA-3, MEA (India) and the Joint Secretary, Ministry of Physical Infrastructure and Transport (Nepal).[53]

The Biratnagar-Jogbani border crossing is primarily used to import industrial raw materials for the Sunsari-Morang

[53] Deo Narayan Sah, "'Bathana-Biratnagar rail by October end' The Kathmandu Post, October 6, 2018, https://kathmandupost.com/national/2018/10/06/bathana-biratnagar-rail-by-october-end

Industrial Corridor (Nepal) through cargo trucks. The finished products are then exported.[54] The railway service is expected to cut transportation costs by at least INR 1 per kg and expanded frequency could further reduce transportation costs by more than INR 2 per kg.[55] This railway line is also being developed to ease the congestion in road cargo movement at the Jogbani-Biratnagar ICP.

The estimated cost of this railway project was NPR 3.2 billion (approx. USD 27 million).[56] The total length of the railway line is approximately 18.6 km with 5.5 Km in India (Bathnaha, Bihar) and 13.2 Km in Nepal (upto Katahari, Morang). The target completion date was two years on receipt of encumbrance free land.[57] IRCON is developing this railway line in India and Nepal.[58]

This case study is important as the Indian government has agreed to extend railway lines to three other border points—Kakarbhitta in the east, Bhairahawa and Nepalgunj in the west—after the Jogbani-Biratnagar and Bijalpura-Bardibas railway lines are completed.

## Limited progress

In February 2010, India and Nepal signed an MoU for development of railway infrastructure at five points along the India-Nepal border.[59] The Jogbani-Biratnagar railway link was one of the points identified. In pursuance of this, IRCON signed an agreement with Northeast Frontier Railway for construction of new broad-gauge railway line between Jogbani and Biratnagar in February 2011. The proposed project included construction of three station yards, the Indian customs yard, Nepal customs yard and Biratnagar terminal yard and two bridges on the Parman and Sinhyadri rivers. The routes were surveyed in 2012. However, by 2014 only 20% of work on the Biratnagar railway project was completed, including laying foundation stones for two bridges, construction of small culverts and bridges, and soil filling on the 13 km stretch on the Nepal side.[60] Most of these delays were on account of land acquisition.

To further improve connectivity, in 2018 CONCOR inaugurated a new route for cargo transfer to Nepal via Bathana-Jogbani-Biratnagar from India's gateway ports.[61] As part of a trial run, a rake flagged off from Kolkata port reached Bathana (Bihar) in five days.[62] The rake did not go up to Biratnagar because the terminal was not ready. During the same year, the Project Steering Committee (PSC) met for the sixth time to review various challenges.[63] The meeting agreed to complete the railway line from Jogbani to Biratnagar Customs Yard by October 2018, among others, and to take forward the work on completion of the Biratnagar customs yard to Biratnagar stretch on priority. However, it has been delayed due to land acquisition issues such as compensation and protest by local farmers over crossings and bridges. Recently, GoN

[54] Madhav Ghimire, "Railway project stalls on land compensation row," The Kathmandu Post, March 24, 2018, https://kathmandupost.com/money/2018/03/24/railway-project-stalls-on-land-compensation-row
[55] Madhav Ghimire, "1st cargo train arrives near Biratnagar," The Kathmandu Post, April 30, 2018 https://kathmandupost.com/money/2018/04/30/1st-cargo-train-arrives-near-biratnagar
[56] "Reference Map on recent and upcoming Indian assisted projects in Nepal," (Kathmandu: Embassy of India), https://www.indembkathmandu.gov.in/docs/15379615704.pdf
[57] "Regional Policy Dialogue on Strengthening Transport Connectivity in Southern and Central Asia," (New Delhi: Ministry of Railways, February 7-8, 2018), https://www.unescap.org/sites/default/files/India_13.pdf
[58] https://www.ircon.org/index.php?option=com_content&view=article&id=59&Itemid=450&lang=en
[59] Ministry of Foreign Affairs, Nepal, "Nepal-India Relations," https://mofa.gov.np/nepal-india-relations/
[60] "Nepal completed 20% works on Biratnagar-Jogbani railway project" RailNews, February 23, 2014, http://www.railnews.in/nepal-completed-20-works-on-biratnagar-jogbani-railway-project/
[61] CONCOR, (Container Corporation of India Ltd.), April 25, 2018, https://www.facebook.com/OfficialCONCOR/posts/concor-is-starting-a-new-route-to-nepal-via-batnaha-jogbani-biratnagar-for-the-t/7371792464064 81/
[62] Madhav Ghimire, "1st cargo train arrives near Biratnagar," The Kathmandu Post, April 30, 2018 https://kathmandupost.com/money/2018/04/30/1st-cargo-train-arrives-near-biratnagar
[63] "India-Nepal Cross Border Rail Links Project," Spotlight Nepal, July 10, 2018, https://www.spotlightnepal.com/2018/07/10/india-nepal-cross-border-rail-links-project/

finally handed over the land to the project implementing agency (IRCON).[64]

## Land related issues in the project

1. **Time delays:** The initial land acquisition process took eight years to complete from the border to Biratnagar railway station, between 2011-2019.[65] Land acquisition for further extension of the railway line was pending in patches up to Katahari, Morang. The case has been under court litigation since 2017.[66] Until February 2020, approximately 10% of land for the Katahari Railway Station was under litigation due to compensation issues. The case was resolved, and the land was finally handed over to IRCON.

2. **Compensation:** Between Biratnagar railway station to Katahari, there are approximately 565 land-owners who collectively own 119 bighas (approx. 190 acres) of land on the proposed railway track. Out of these, 26 landholders had refused to accept compensation, citing low amount.[67] At the Biratnagar railway station, people went to the Supreme Court of Nepal for increase in compensation and the verdict was delivered after three years in favour of the project affected families.[68]

3. **Lack of standardisation in land price compensation:** The price of land along/adjacent to rail and road projects escalates differently. While road infrastructure adds commercial value to benefit project-affected families, railway infrastructure is beneficial for the commercial activities only near the platforms. Thus, the variance between the track and platform can as be as large as NPR 90,000 (approx. US$ 747) per katha to NPR 2.4 Million (approx. US$ 19,000) per katha.[69] As a result, landowners are invariably hesitant in giving up their land for lesser value unless they are paid a higher compensation.

4. **Compensation process:** The land acquisition process has also highlighted corruption in the compensation process. For example, local politicians were allegedly compensated at a higher rate than rest of the land-owners, particularly those with land along the Postal highway-railway line intersection (near Rangreli, Morang).[70] For instance, influential landholders with land adjacent to the track were paid NPR 2.4 million (approx. US$ 19,000) per katha, whereas some other landholders were offered lesser compensation, as low as NPR 200 thousand (approx. US$ 1,500) per katha. Similarly, from the pending land under the proposed Katahari Railway Station, some landowners have been paid NPR 800 thousand (approx. US$ 6,500) per katha whereas others have been offered lower rates.[71] The court had previously ordered that while constructing the Jogbani-Biratnagar Railway Service, all land owners adjacent to the Biratnagar-Rangreli Highway should be given compensation. The court had already nullified the standards that would determine the compensation unequally.

5. **No representation of project-affected landowners in compensation process:** Local landholders are not part of the Compensation Determination Committee (CDC). As a result, there is no transparency in determination of compensation for different landholders.[72] This also reflects the unsystematic land valuation system in Nepal.[73]

[64] Interview with GoI/MEA representative "H", February 9, 2020, Kathmandu.
[65] Interview with a local project engineer "J", February 11, 2020, Biratnagar
[66] Dev Narayan Shah, "Railway project stalls on land compensation row", The Kathmandu Post, March 24, 2018, https://kathmandupost.com/money/2018/03/24/railway-project-stalls-on-land-compensation-row
[67] Dev Narayan Shah, op-cit.
[68] Interview with a senior official at the GoN/Department of Railways, February 10, 2020.
[69] Interview with a local project engineer "J", February 11, 2020, Biratnagar. 1 (Nepali) Katha = 0.084 Acre.
[70] Interview with a local land activist "L", February 11, 2020, Biratnagar
[71] Interview with a local land activist "L", February 11, 2020, Biratnagar
[72] Interview with a local land activist "L", February 11, 2020, Biratnagar
[73] *Interview with a senior official "M" at Planning Commission, Province 2, February 12, 2020, Janakpur*

# 7. How others do it: A comparative assessment

Multilaterals such as the Asian Development Bank (ADB), Asian Infrastructure Investment Bank (AIIB) or the World Bank fund several infrastructure development projects in Nepal through loans, grants, and credits. In this section, we analyse the projects funded by multilateral organizations to assess the prevalence of land acquisition issues and the approach taken for redressal.

At the outset, while land acquisition continues to be the responsibility of the beneficiary government (in this case, Nepal), the multilateral partners play a key role in the identification of land and its acquisition costs, as well as in providing support through capacity building for rehabilitation and resettlement. These are done through institutional frameworks, with the baseline that any land acquisition process for infrastructure development must benefit both the individual landowners and the collective developmental interests of the affected community or region.[74]

For instance, the World Bank has an "environmental and social management framework" (ESMF) to support the beneficiary country in planning and mitigation of large-scale rehabilitation and re-settlement for a specific project.[75] Similarly, the ADB has an "Involuntary Resettlement Policy" (1995) to support the project implementing agency in land acquisition and preparing the resettlement action plan.[76] The AIIB, too, has an environmental and social (E&S) policy that applies to projects. These are mandatory compliance requirements for completion of the project from the beneficiary government.

Furthermore, these norms address issues beyond the prevalent land laws of the country. For instance, both World Bank and ADB's resettlement action plans include "non-title holders" of land, ensuring that people who depend on the land for a livelihood without being title-holders also benefit from the resettlement process.[77] More recently, the AIIB has financed the Sylhet and Tamabil Road Upgrade Project in Bangladesh. Within this, it was observed that the Government of Bangladesh allocated the budget for land acquisition based on the Development Project Pro-forma developed by the AIIB.[78]

Furthermore, the Government of Bangladesh had completed the Environmental and Social Impact Assessment (ESIA) and Resettlement Action Plan (RAP) in 2015, financed by ADB. Based on this, the AIIB has prepared the Resettlement Action Framework (RAF).[79] Thus, completion of the rehabilitation and resettlement plans before initiation of the civil work enables timely conclusion of the project with little cost overruns. As a result of such interventions, the land acquisition process

[74] Naoyuki Yoshino, et al., P. 1, op-cit.
[75] The World Bank, P. 6, op-cit.
[76] "Nepal Road Connectivity Sector I Project," (Kathmandu: Asian Development Bank completion report, July 2016), P. 12, https://www.adb.org/sites/default/files/project-document/189176/37266-032-pcr.pdf
[77] The World Bank and ADB completion reports, op-cit.
[78] Project Document of the Asian Infrastructure Investment Bank, P. 19, op-cit.
[79] Project Document of the Asian Infrastructure Investment Bank, P. 21, op-cit.

and project completion has resulted in lesser delays. The ADB's Nepal Road Connectivity Sector I Project illustrates some of these best practices.

## The ADB's Nepal road connectivity project

The project began in 2006 to construct approximately 318 km of road. The project consisted of 23 civil work activities, 22 of which were completed before time. There was a one-year delay on account of technical issues during bridge construction.[80] The total envisaged cost of the project was US$ 55.2 Million, however, despite delays due to land availability, the final project cost came up to only US$ 51 Million. The land acquisition process was expected to take place over a period of 1.5 years by the GoN, however, it took approximately four years to complete the process. An NGO was hired for the resettlement and rehabilitation process for the land acquired in the road construction, however, the contract with the NGO was terminated due to dissatisfactory performance. Later, individual experts were hired for completion of the process.

The project identified 1092 land plots and structures owned by 586 families to be compensated. Out of this, 953 plots and 43 structures were compensated, and the rest could not be compensated due to ownership disputes, amongst other challenges. From the 586 families, 500 people were trained on "income and employment generating activities" such as tailoring, driving, entrepreneurship courses etc.[81] The ADB and GoN also established a grievance redressal mechanism along all project sections. The affected families were informed of the procedures and grievances were resolved locally through negotiations.[82]

Throughout the process, the Department of Roads (GoN) maintained adequate budgetary provisions and regular supply of funds.[83] In addition to this, the Department of Roads also set up an ADB unit to support implementation of the project. As a result of the local stakeholder engagement and information dissemination by both the ADB and the GoN, the project was completed before time despite high risk in issues related to land.

## Best practices and key learnings

While its projects are negatively exposed to the risks and delays of land acquisition, India lacks most of the best practices (identified above) to prevent or mitigate these challenges. Additionally, the GoN is conforming with the regulatory requirements of multilateral for social and environmental impact assessment by hiring NGOs for completion of the process.

There are delays in land acquisition for many infrastructure projects funded by multilaterals due to gaps in Nepal's regulatory framework. For the above mentioned ADB project, the process took four years. In the case studies of India-financed projects examined in this paper, the process has taken more than eight years and is still ongoing. Some of the comparative reasons identified include:

- **The difference in approach by the GoN:** It was reported that the GoN maintained adequate funds for the ABD project throughout the land acquisition process, whereas during stakeholder interviews in Nepal for the Postal Road project, it was assessed that GoN did not maintain adequate funds to complete the process. This approach resulted in a difference in the compensation amount, leading to litigation.

[80] ADB completion report, Para 16, P. 4, op-cit.
[81] ADB completion report, Para 53, P. 12, op-cit.
[82] ADB completion report, Para 54, P. 13, op-cit.
[83] ADB completion report, Para 29, P. 7, op-cit.

- **Preparing a social impact assessment (SIA) plan:** Preparing an SIA, along with the hiring of land experts enables the beneficiary country to overcome difficulties during the implementation process. India does not ask for this requirement in its projects abroad.

- **Skill training for rehabilitation:** The land acquisition and resettlement process by multilaterals includes rehabilitation measures such as skill training on livelihood option that have income and employment potential for the project affected families. This makes the process of acquiring land easier.

- **Grievance redressal mechanism:** Several properties to be acquired for the Indian project are under litigation due to the absence of a local grievance redressal mechanism. For the postal road project, the Indian consultants have also faced violence from the local stakeholders due to lack of information and politicisation of the project.

# 8. Policy recommendations

## For India

1. As the nodal agency in these infrastructure projects, the MEA's DPA at MEA should develop clear guidelines and standards for land acquisition processes abroad. The 2015 Ministry of Finance note "Guidelines on Lines of Credit" is a step in the right direction but needs to be detailed out: it generically mentions that DPRs must ensure "identification of the land for the proposed project, as also, details of access/right of way to the site" and also guarantee "commitment from various Ministries of the host country for implementation of the projects, such as... allotment of land."[84] The DPA should develop clear quality benchmarks to assess *how* these two commitments can be independently verified. In collaboration with the host government, this may also require working with third-party consultants to verify public records and conditions on the ground. By preventing or mitigating risks relating to land acquisition for strategic connectivity projects abroad, this will also likely attract more interest and investment from India's private infrastructure companies.

2. To ensure it has updated, in-house knowledge, the MEA's DPA may commission expert studies on the property rights governance frameworks in Nepal and partner countries. This can be a one-time study commissioned from legal scholars about each country and may help in the formulation of more country-specific benchmarks that must be adhered to by contractors, partner government, and all stakeholders at different stages of the land acquisition process. These guidelines must also regulate all inter-governmental agreements, as well as have binding power over the terms of the grant or loan etc.

3. The comparative assessment of best practices by the ADB and AIIB, shows how adopting detailed Environmental and Social Impact Assessment framework can facilitate the land acquisition process. This supports rehabilitation of the project affected people, thereby reducing land-related conflicts between the host government and landowners. The DPA would benefit from adopting such a framework for its foreign projects that enable surveying and capacity building of the project affected people in order to ease the land acquisition process.

4. Encourage joint partnerships in preparation of DPRs. These should be prepared by Indian experts working in tandem with recipient country's consultants. Many issues in road projects, particularly those relating to land alignment and right of way, can be resolved with this collaborative approach. So far, the DPA has encouraged partnerships in conducting pre-feasibility studies as well as hiring contractors for project completion.[85] For instance, the feasibility study of Mechi-Mahakali and Pokhara-Kathmandu Electrical Railway was conducted by both RITES

[84] "Guidelines on Lines of Credit extended by the Government of India to various countries under the Indian Development and Economic Assistance Scheme (IDEAS)," (New Delhi: Department of Economic Affairs, Ministry of Finance, December 7, 2015), P. 9, https://www.eximbankindia.in/assets/pdf/loc/GOI-Guidelines-on-LOC.pdf

[85] Inputs received during a closed door roundtable discussion by a senior GoI/MEA official "N", February 7, 2020.

(India) and SILT Consultants (Nepal).[86] This pattern also needs to be encouraged for DPRs to ensure technical and economic viability of the project, and timely completion.

5. Inter-ministerial cooperation in capacity building: To achieve this, there is need for sensitisation and capacity building within the MEA through inter-ministerial and inter-departmental coordination with the Department of Land Resources (DoLR), Ministry of Rural Development. Additionally, the MEA could also explore getting advisors from the DoLR on deputation for its capacity building in Nepal and other neighbouring countries.

6. As a new organization still establishing its own benchmarks, India's DPA-MEA would benefit from greater dialogue and exchanges with its national and multilateral counterpart organizations, including DFID, JICA, USAid, as well as ADB, AIIB, World Bank. These organizations have significant experience, and to some degree even coordinated and common standards regulating their projects and risk assessments about land acquisition.

7. While India will have to be cautious not to interfere in the internal land acquisition processes, it can implement regular, high level bilateral monitoring mechanisms between its diplomatic representative and local counterpart. In Nepal this system was established in 2016 as a Joint Oversight Mechanism that met every few months to assess many issues, including land acquisition. This formal and periodic mechanism may be continued and also replicated in other countries, especially in the neighbourhood.

## For Nepal

1. Nepal must upgrade its property rights framework, most notably by amending or replacing the archaic Land Acquisition Act. The 2015 policy on land acquisition developed by the Nepal Planning Commission is non-mandatory and has still not been enforced through legislation despite repeated attempts and delays.[87]

2. Land acquisition is a highly contentious and politically salient issue. In order to ensure continued support from India and other external development partners, as well as private investors in key infrastructure projects, the Nepal government must insulate the land acquisition process from any political and strategic calculations or pressures.

3. Involvement of project affected people at the planning stage: Inadequate compensation is one of the biggest hindrances towards land acquisition, as seen in both the Hulaki Rajmarg project and the Biratnagar Railway construction, because the project affected families were not part of the compensation determination committee. This participatory approach would promote sensitisation and information about the project, as well as expedite the land acquisition process.[88]

[86] "Govt to conduct another feasibility study of railway," The Himalayan Times, June 29, 2015, https://thehimalayantimes.com/business/govt-to-conduct-another-feasibility-study-of-railway-line/

[87] Shri Gopi Nath Mainali, "New Policy Can Resolve Most of the Problems in Land Acquisition," Investment Board Nepal, Government of Nepal (2015), https://ibn.gov.np/wp-content/uploads/2020/04/IBN-Dispatch-09.pdf

[88] Subash Ghimire, Arbind Tuladhar, et al., P. 174, op-cit.

## India-Nepal Cooperation

1. The Supreme Court of Nepal relies on various judgement passed by Indian courts as legal precedents. India could support capacity building of the provincial level planning commissions on matters related to land and compensation through periodic meetings between the Nepali stakeholders and their Indian counterparts. The Land Rights Initiative at the Centre for Policy Research, for example, developed a prototype of the Land Laws of India website that includes key documents on land regulations.[89] This could be particularly useful for Nepal as it develops various new federal and provincial laws.

2. With its own experience of digitisation of land records, India could support Nepal in creating and maintaining a digitised land records system. Nepal's challenges with respect to improvement in the cadastral map scaling and maintenance of land records can be addressed through successful examples in India. As per the NCAER Land Record and Services Index 2020, India's states that perform well in maintenance of land records include Madhya Pradesh, Odisha, and Maharashtra.[90] India could facilitate meetings between the aforementioned state governments in India and the government of Nepal for exchange of best practices. However, this must be based on a principle of partnership and dialogue, rather than simply exporting and transplanting India's system with its own limitations.

3. Learning from best practices in land acquisition within Nepal: There are several examples within Nepal where the process of land acquisition has been handled swiftly. In the Upper Tamakoshi Hydropower project, the Government of Nepal facilitated the land acquisition and compensation process by giving 25% of the share of the project to the project affected families. Similarly, in the Chilmi hydropower project, apart from share-holding, the local community was also given electricity at concessional rates.[91] Similar models can be adopted to facilitate land acquisition for roads and railways projects, such as land leasing, land pooling, trust ownership of land etc.[92]

[89] "Masterclass on One Thousand Land Laws v.2.0: From Archive to Architecture," (Workshop: Centre for Policy Research, March 4, 2020), https://www.cprindia.org/events/8504

[90] "The NCAER Land Records and Services Index," (New Delhi: National Council for Applied Economic Research, February 2020), http://www.ncaer.org/publication_details.php?pID=317

[91] Interview with a land expert "O" at Kathmandu University, February 10, 2020, Kathmandu.

[92] Naoyuki Yoshino, et al, op-cit.

# 9. Conclusion

Accessing unimpeded land for infrastructure projects abroad is one of the principal challenges the Indian government faces while pursuing its strategy of regional connectivity. Focused on two case studies of India-funded infrastructure projects in Nepal, this paper examined how a detached approach and lack of knowledge about the host country's property rights framework led to significant delays and cost escalation, including political tensions. This resulted in severe challenges and delays to India's strategic objective to ensure the speedy implementation of critical road and rail connectivity infrastructure in Nepal and other neighbouring countries.

While these obstacles are not uniquely faced by the Indian government, our paper shows that other national and multilateral development partners such as the ADB and AIIB have been more successful at overcoming such challenges. This is because they have country-specific guidelines, expertise and partners to assess the potential risk of land acquisition. They also develop capacity-building initiatives that support domestic enforcement of property laws and regulate compensation and rehabilitation of affected landowners.

India's Development Partnership Administration, created only in 2012 as a part of the Ministry of External Affairs, will have to develop similar guidelines to mitigate risks in land acquisition affecting its projects abroad. At the same time, the DPA must also push for development cooperation partnerships that allow for India and partner countries to exchange best practices on land acquisition. The DPA has, so far, had a hands-off approach to land rights or land acquisition in foreign countries, despite it being one of the major causes of delay in completion of infrastructure projects. Globally, as more multilaterals and private enterprises look at land rights, it is important that the Indian government realizes that land needs to be brought to the centre of development policy discussions.

Our recommendations reflect an urgent need for India to adopt policy changes at two levels, applied to Nepal and any other country where it finances infrastructure projects: 1) internally, within the DPA and in coordination with domestic expertise about property rights: adopt transparent and clear benchmarks to assess, select, implement, and regulate funding for infrastructure projects according to local property laws and land acquisition processes; 2) bilaterally, with host governments and national/multilateral development counterpart organizations: establish a stronger bilateral dialogue to exchange best practices and capacity-building on land acquisition for infrastructure projects. Investing on these two fronts would certainly reduce the risk of land coming in the way of India's infrastructure projects and regional connectivity strategy.

## About the authors

**Constantino Xavier** is a Fellow in Foreign Policy and Security Studies at Brookings India, in New Delhi, where he also leads the Sambandh Initiative on regional connectivity. He researches on India's role as a regional power, and the challenges of security, connectivity and democracy across South Asia and the Indian Ocean.

**Constantino Xavier**

**CXavier@brookings.edu**

**Riya Sinha** is a Research Associate with Foreign Policy and Security Studies at Brookings India. She has over four years of experience in research on regional integration in South Asia, particularly in the area of trade, investment and building supply chains. She has also worked on Cross-Line of Control Trade in Jammu and Kashmir and conducted time-release studies across various ports for Ease of Doing Business in India.

**Riya Sinha**

**RSinha@brookingsindia.org**

---

## About the Impact Series

Brookings India's fundamental objective is to contribute meaningfully to the process of designing solutions for India's policy problems. We aspire to do this in a way which fully reflects the core values of analytical quality and independence of views. We believe that policy recommendations based on these two attributes are most likely to have a positive impact on outcomes.

Since we began our activities in 2013, we have been active in three broad domains: Economic Development, Foreign Policy, and Energy & Sustainability. We have initiated research on several issues within these domains and, simultaneously, organised a regular series of conversations between various stakeholders, who bring their particular perspective to the discussions in a constructive way. These activities have helped us to understand the nature of specific problems in each domain, gauge the priority of the problem in terms of India's broad development and security agenda and develop a network of people who think deeply about these issues.

In this series of policy papers, the authors offer concrete recommendations for action on a variety of policy issues, emerging from succinct problem statements and diagnoses. We believe that these papers will both add value to process of policy formulation and to the broader public debate amongst stakeholders, as opinion converges on practical and effective solutions.

Many of the papers are written by Brookings India researchers, but, in keeping with our objective of developing and sustaining a collaborative network, we have invited a few experts from outside the institution to contribute to the series as well.

We look forward to active engagement with readers on the diagnoses and recommendations that these papers offer. Feedback can be sent directly to the authors.

QUALITY. INDEPENDENCE. IMPACT.

**Brookings Institution India Center**
No. 6, Second Floor, Dr. Jose P Rizal Marg, Chanakyapuri, New Delhi - 110021

@BrookingsIndia Brookings.India Brookings India www.brookings.in