



Initial Community Development

(ICD) Policy

May 2009

**NTPC Ltd
New Delhi (India)**

OUR VISION

*"A world class integrated power major,
powering India's growth,
with increasing global presence"*

OUR MISSION

*"Develop and provide reliable power,
related products and services at competitive
prices, integrating multiple energy sources
with innovative and eco-friendly
technologies and contribute to society"*

OUR CORE VALUES

Business Ethics

Customer Focus

Organisational & Professional Pride

Mutual Respect & Trust

Innovation & Speed

Total Quality for Excellence

List of Abbreviations

CC	Corporate Centre
CD	Community Development
CSR	Corporate Social Responsibility
ICD	Initial Community Development
NGO	Non Government Organisation
NTPC	NTPC Ltd
PAP	Project Affected Person
RAP	Rehabilitation Action Plan
R&R	Resettlement & Rehabilitation
TERI	The Energy and Resources Institute
TISS	Tata institute of Social Sciences

PREAMBLE

Most of NTPC projects are located in remote areas. NTPC acquires land for its projects, which may relocate people or affect their livelihood. As a responsible corporate citizen, it is aware of the need for upliftment of Project Affected Persons (PAPs) and neighbouring communities around its projects / stations for establishing an amicable environment and addressing the development needs of the remote rural areas.

NTPC has ambitious expansion and diversification plans for the future. NTPC aims to be a 75000 MW company by 2017. Further it intends to diversify providing backward and forward integration. As part of its diversification plans it has entered the Hydro sector and mining etc. This will require acquisition of large tracts of land. This may relocate people or affect their livelihood. Even in cases of expansion projects, there might not be requirement of additional land, but there still be a need to take up community development activities.

In these instances, NTPC takes adequate measures to address the social issues arising due to setting up of the projects. These activities are normally initiated and undertaken as part of R&R and are consequent to the land acquisition for the project. These are implemented in a phased manner and are targeted for completion till the expected commissioning of the project. The target population of these activities is Project Affected Persons (PAPs) with the objective that the PAP will improve or at least regain their previous standard of living. These activities cover individual R&R benefits as well as general community development activities. In cases of no additional land requirement or in the cases of negotiated settlement,

NTPC takes measures for community development. On completion of R&R activities, general community development and peripheral development issues continue to be addressed in the neighbourhood of its operating stations as part of its CSR-CD programme.

NTPC now proposes to address the social issues even prior to initiating the land acquisition for any project, thru this policy.

This Initial Community Development (ICD) policy will be implemented in close cooperation with the concerned State Authorities in the areas identified for setting up greenfield / expansion projects.

CHAPTER-I

BASIC ISSUES AND STRATEGIES FOR ICD

- 1.1 NTPC believes in growth with a human face and pursues people central development. NTPC has been a socially committed organization and has adopted a proactive approach to address the social issues specially related to R&R and CD works at its projects since inception. In order to address these issues w.r.t external stakeholders, it has the following policies presently under implementation:

A comprehensive "Resettlement and Rehabilitation Policy" to address the social issues consequent to land acquisition or otherwise on setting up setting up Greenfield and expansion projects.

Corporate Social Responsibility-Community Development (CSR-CD) Policy to continue community development activities at the operating stations even beyond completion of R&R.

- 1.2 Based on past experiences and changing scenario, it is now felt that there is a need to address the social issues still earlier at exploratory stage of the prospective project sites, in order to demonstrate NTPC's sensibilities and commitment as a corporate citizen. This is expected to build a positive image as well as engage the stakeholders into a positive and meaningful dialogue process and confidence building.
- 1.3 It is therefore felt that NTPC should address the social issues as above and undertake Initial Community Development (ICD) activities to win the confidence of local population of its prospective Greenfield/ Expansion projects.
- 1.4 This policy aims at setting up broad guidelines for the formulation of project specific plans for ICD activities as per the culture/project specific requirements of each project, till the initiation of R&R activities and formulation of project specific R&R plans.

CHAPTER-II

ICD activities at Project Exploratory Stage

2.1 Planning for ICD activities

- 2.1.1 Need based ICD activities shall be decided by the Region in consultation with concerned panchayat, district administration and representatives/ opinion makers of the localities.
- 2.1.2 The 'ICD activities Plan' shall be prepared by the region in consultation with Corporate R&R Group.
- 2.1.3 The Energy and Resources Institute(TERI)/ 'Tata Institute of Social Sciences (TISS)' like institutions may be hired, if needed, in the initial stage to survey the locality and submit list of Initial CD activities according to the need. Their services may also be utilized to facilitate their implementation.

2.2 Commencement of ICD activities

- 2.2.1 ICD activities shall start soon after clearances for land and water for Greenfield/ expansion projects are obtained by corporate engineering department from the concerned State Governments, and shall be spread over 3-4 years **till RAP is approved.**
- 2.2.1.1 In case of Hydro projects, ICD activities shall start at the time of signing of MOUs and/or opening of site office of NTPC Limited for the investigation work.
- 2.2.1.2 In case of Mining projects, ICD activities shall start just after allotment of coal block by Ministry of Coal (MOC).
- 2.2.1.3 For projects other than thermal/gas/hydro/mining, ICD activities shall start on approval of Feasibility Report of the project.

2.2 Suggested ICD Activities

SN	Description	Details
i	Health	Mobile clinic and community health related activities as per need of the locality
ii	Education	Emphasis on 'girl education', 'Primary education, Adult education etc.
iii	Water	Emphasis on safe drinking water to villagers and other water related facilities
iv	Capacity Building	Vocational training to local people to develop income generating skills
v	Infrastructure	Construction of roads, community halls, school buildings, health centres, street lighting, 'providing furniture & equipments to educational institutions and public utilities' and sanitation facilities etc.

2.2.1. However the list is purely suggestive and actual activities may be taken up as per need and requirement of any specific area / location.

2.3 Budget for ICD activities

2.3.1 Budget approval for ICD activities shall be clubbed together with the advance expenditure approval, sought for preparation of Feasibility Report/ Detailed Project Report including studies & investigation for new/ expansion projects. On finalization of the project, this expenditure shall be booked under project cost.

2.3.2 This budget would normally be upto Rs 50.0 lakhs for each specific Greenfield / expansion project.

2.3.3 Budget utilization shall be submitted by the concerned region/ project to Corporate R&R during the 1st quarter of succeeding year.

2.4 Implementation Mechanism

2.4.1 The detailed proposal for ICD activities shall be put up by the region through Corporate R&R to seek approval of competent authority. Competent authority in this regard will be Chairman and Managing Director.

2.4.2 Implementation

- 2.4.2.1 ICD activities shall be executed by the region project for Greenfield projects and by the existing station for expansion projects or by NTPC Foundation or by any agency like TERI/TISS or as deemed fit.
- 2.4.2.2 Employee based NGOs can also be associated with the implementation of these activities.



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