

Request regarding JICA's non-compliance with its Guidelines for Environmental and Social Considerations in Nagdhunga Tunnel Construction Project in Nepal

Date: 7 August 2025

To: The Examiners for the JICA Guidelines
Japan International Cooperation Agency (JICA)
CC: Advisory Committee for Environmental and Social Considerations

Names of the Requesters:

On behalf of the Nagdhunga Sisne Khola Tunnel Affected Area Drinking Water Consumers Committee -

Gopi Surkheti

Krishna Bahadur Subedi

Ram Prasad Bhurtel

Sarita Sigdel

Contact information of the Requesters:

[Redacted contact information]

Our names should be kept confidential and not passed to the Project Proponents, government agencies, or JICA's Operational Departments.

No

1. Project with respect to which the objections are submitted

- Country name: Nepal
- Project name: Nagdhunga Tunnel Construction Project
- Project site: Central Development Region, Bagmati Zone, Kathmandu, Dhading Districts
- Project outline:

This complaint concerns the Nagdhunga Tunnel Construction Project, being implemented with a loan from the Japan International Cooperation Agency (JICA)¹, in collaboration with the Government of Nepal through the Department of Roads under the Ministry of Physical Infrastructure and Transport. The project involves the construction of a 2.68 km road tunnel connecting Nagdhunga (Kathmandu) and Sisne Khola (Dhading)², with the stated goal of improving traffic congestion and enhancing transportation infrastructure in the region. Construction began in October 2019 and is ongoing. We, the affected individuals, have reported issues such as depletion of water sources for drinking water and irrigation, construction-related damages to homes and farmlands, and disruption of local livelihoods and economy. These impacts contravene the 2010 JICA's Guidelines for Environmental and Social Considerations,

¹ See

https://www.jica.go.jp/english/about/policy/environment/id/asia/south/a_b fi/nepal/c8h0vm000090s28i.htm, Also see https://www2.jica.go.jp/ven_loan/pdf/en/6822/20161222_01.pdf

² See <https://kathmandupost.com/national/2024/04/15/nepal-s-first-tunnel-road-makes-final-breakthrough>

including those concerning information disclosure and consultation with local stakeholders, environmental protection, social acceptability and involuntary resettlement. Despite repeated efforts to raise concerns with the local and national authorities and project contractors as well as with the JICA Nepal office, we have not received satisfactory responses or remedies. Thus, we, more than 650 households of Kathmandu district's Chandragiri Municipality Ward No. 2 (formerly Badbhanjyang VDC Wards 1, 2, 3, and 5) associated in the Nagdhunga Sisne Khola Tunnel Affected Area Drinking Water Consumers Committee, submit this complaint to request that the Examiners investigate compliance of the project with the JICA Guidelines and mediate to resolve disputes for ensuring remedies to the affected communities.

2. Substantial damage actually incurred or likely to be incurred by the Requesters as a result of JICA's non-compliance with the Guidelines:

Due to the Nagdhunga Tunnel Construction Project, we have been experiencing substantial harms. As a result of the tunnel construction, more than two dozen natural drinking water sources which our communities have depended on for generations, have dried up. In addition, key water sources used for irrigation have also dried up, severely affecting local agriculture and livelihoods. Over 135 houses have developed structural cracks or suffered damage, and sinkholes have appeared in our lands. Although the Environmental Impact Assessment (EIA) process included a public hearing in which local residents conditionally agreed to the project based on assurances that modern, less destructive tunneling technologies would be used, the actual construction was carried out using drilling and blasting methods. We believe these methods are the primary cause of the damage now affecting our communities. The situation has been particularly severe along the affected stretch from Basandol to Nagdhunga, where the water crisis has intensified and the responsible authorities, including the project implementing agencies, have shown indifference toward addressing the harms. These impacts represent substantial and ongoing damage to our health, safety, housing, and livelihoods, and further harms are likely unless corrective actions are taken.

3. Resolution desired by the Requesters:

As we have demanded with the concerned authorities and the JICA Nepal office, we seek the following resolution:

1. Drinking Water Restoration

Due to the complete drying up of traditional water sources and wells caused by tunnel construction, the project must make adequate and long-term arrangements for safe drinking water in the affected areas. One practical solution for that could be to divert and distribute the water currently flowing in the tunnel's western portal in our communities. It must also be guaranteed that the project or the concerned implementing agency will cover all operational and maintenance costs for this water supply system, even after the project construction is completed.

2. Alternative Irrigation Measures

As irrigation sources have also been lost with the drying up of water sources, alternative systems must be developed to ensure that cultivable land in the affected area remains productive. This could include identifying new water sources or providing technical and financial support for irrigation solutions.

3. Compensation for Damages to Houses and Lands

More than 135 houses have developed cracks or been structurally damaged, and sinkholes have appeared in lands in several locations. We request a full assessment of the damages followed by fair and timely compensation for affected houses and lands

4. Local Employment Opportunities

Residents of the affected area should be given priority for employment opportunities during the operational phase of the tunnel. This would help to restore livelihoods that have been disrupted and contribute to community recovery.

We request that the Examiners put equal focus on both compliance review and dispute resolution measures to facilitate corrective actions so that our above-mentioned demands are addressed and ongoing harms caused by the project are remedied.

4. Requesters' efforts to engage with the Project Proponents (including grievance redress mechanisms):

Since April 2022, we, the residents of the project affected areas, have made sustained efforts to raise concerns and resolve the serious impacts caused by the Nagdhunga Tunnel Construction Project. Initial attempts included public protests, which escalated into clashes with police and damage to the consultant's office, reflecting the deep frustration of communities whose water sources had dried up. Following this, a dialogue was held at the District Administration Office, Kathmandu, where it was agreed that a water supply project would be immediately initiated, funded by the project, to address the urgent needs of affected households. However, instead of implementing this agreement, the project distributed water by tanker services and reportedly engaged in inflated billing practices, rather than investing in sustainable water infrastructure.

Later, the then Prime Minister of Nepal directed that a report be submitted within a week to address the issues of the affected communities. The project's report admitted that it could not provide a long-term water solution due to its limited scope and recommended additional drinking water and irrigation projects. However, those recommendations were not acted upon. As a result, on 27 September 2023 (10 Asoj 2080 BS), further protests resumed when the promised third deep boring (borewell drilling) for water extraction was not initiated. Although a small amount of water is now being supplied from that borewell, it remains inadequate, and the issues of irrigation loss and housing damage remain unaddressed.

After years of struggle of the affected communities, on 29 January 2024 (15 Magh 2080 BS), an agreement was negotiated after rounds of discussions with the then Minister of Physical Infrastructure and Transport and the Deputy Prime Minister. Based on this, the Secretary of the Ministry of Physical Infrastructure and Transport submitted a proposal to the Council of Ministers on 29 July 2024 (14 Shrawan 2081 BS), affirming that the demands of the affected residents were valid. The Council of Ministers approved the proposal on 13 December 2024 (28 Mangsir 2081) and instructed the Ministry to implement it. Despite this formal decision, no substantial progress has been made while the project construction has continued ignoring the commitments made with the affected communities. In response, we initiated a peaceful protest movement on 16 March 2025 (3 Chaitra 2081 BS) to demand implementation of the government's own decision for addressing our demands.

Unfortunately, instead of honoring these agreements and resolving the long-standing grievances, the project authorities and concerned bodies proceeded with construction under heavy security

presence and suppressed the community's peaceful protests.³ At present, the construction has reached its final stage without addressing our legitimate and unresolved issues.

5. Requesters' efforts to engage with JICA's Operational Departments:

On 1 July 2025, we submitted a petition (sent along with this request) with our above-mentioned demands to the JICA's Nepal Office requesting JICA to address them or get them addressed by the authorities. We asserted that the project construction without addressing our legitimate demands would not comply with the JICA Guidelines. We had strongly called on JICA to take concrete steps to address our demands within a week. However, there has been no response from the country office as of yet.

Representatives of the project contractor, the Japanese company Hazama-Ando Corporation, have also been present in our various meetings with the concerned authorities, including at the ministry level. However, they have not made any independent effort to address our concerns.

6. If the Request is submitted by a representative, explanation on the necessity for submitting the Request through the representative, with an attachment of evidence that the representative has been duly authorized by the Requesters:

This request is submitted by the representatives of the Nagdhunga Sisne Khola Tunnel Affected Area Drinking Water Consumers Committee, which is composed of the project affected households of Chandragiri Municipality Ward No. 2 in Kathmandu district at the eastern portal of the tunnel. We are sending along the relevant minutes of a gathering of the Committee on 14 June 2025 authorizing those representatives to file this request.

We have also authorized Prabindra Shakya (shakya.prbn@gmail.com) to advise us in relation to this Request, including to help us during the compliance investigation and dispute resolution processes of the Examiners. We ask that the advisor is copied in all communications from the Examiners.

Formal communications about the complaint should be sent in both English and Nepali. Additionally, we urge you to conduct in-person information sharing with us as the affected communities in our area, when releasing key documents related to this request.

7. Provision of the JICA Guidelines breached by JICA and facts constituting the JICA's noncompliance, as alleged by the Requesters.

The following provisions of the JICA Guidelines for Environmental and Social Considerations have been violated in the Nagdhunga Tunnel Construction Project:

- **Information Disclosure and Community Consultation:** While public hearings for an Environmental Impact Assessment (EIA) for the project were conducted, we have not been provided a copy of the EIA report and have not been fully informed about the drilling and blasting methods used, and consultations have not been meaningful once problems emerged towards effectively addressing our grievances. These are violations of requirements in 5. Social Acceptability and 7. Involuntary Resettlement, Appendix 1, JICA Guidelines (April 2010).

³ See <https://kathmandupost.com/valley/2025/03/16/locals-obstruct-nagdhunga-sisnekhola-tunnelway-construction-again>, Also, see <https://www.youtube.com/watch?v=EwPJGJFofCk>

- **Natural Environment:** The project caused the drying up of over two dozen natural water sources used for drinking and irrigation, without taking adequate steps to prevent, minimize, or restore the environmental damage and loss of those sources for our drinking water and irrigation. These are violations of requirements in 7. Involuntary Resettlement, Appendix 1, JICA Guidelines (April 2010).
- **Involuntary Resettlement:** More than 135 houses have developed cracks and been damaged while sinkholes have also appeared on our lands due to tunnel construction. Yet, no proper technical assessment and fair or adequate compensation has been provided to the affected households. These are violations of requirements in 7. Involuntary Resettlement, Appendix 1, JICA Guidelines (April 2010).
- **Grievance Mechanism:** Despite repeated attempts to raise grievances with the concerned authorities and the project, they have not provided a clear or accessible process for redress to us, nor did JICA engage directly with the affected people to resolve our concerns. These are violations of requirements in 7. Involuntary Resettlement, Appendix 1, JICA Guidelines (April 2010).

8. Cause-and-effect relationship between JICA's non-compliance with the JICA Guidelines and the damage.

There is a direct cause-and-effect relationship between JICA's non-compliance with its Environmental and Social Guidelines and the damage suffered by our community. If JICA had ensured proper implementation of its Guidelines, particularly regarding information disclosure, environmental protection, and effective grievance redress, the serious harms we have experienced could have been avoided or at least minimized and managed.

For example, the project's use of drilling and blasting methods caused the drying up of over two dozen water sources and structural damage to more than 135 houses. If JICA had adequately monitored project activities and enforced its Guidelines' requirements on environmental protection and involuntary resettlement, it would have identified these risks early and required the project to use less harmful technologies or take preventative measures.

Similarly, if JICA had ensured that local communities were fully informed and involved in decisions about tunneling methods—as required by the Guidelines on consultations with stakeholder, residents could have raised objections before the harmful construction methods were used. Furthermore, JICA's failure to establish or oversee an effective grievance redress system meant that our repeated complaints went unheard, allowing the damage to continue and worsen.

Therefore, the harm we suffered is not just the result of the project itself, but of JICA's failure to enforce its own policies that are designed to prevent exactly this type of impact.

The Requesters hereby certify that all the matters described herein are true and correct.

Documents attached (all in Nepali language):

1. *Petition submitted by the Nagdhunga Sisne Khola Tunnel Affected Area Drinking Water Consumers Committee to the JICA Nepal office on 1 July 2025*
2. *Minutes of the gathering of the Committee dated 14 June 2025 (31 Jestha 2082 BS)*
3. *Letter received from the project regarding addressing the demands of the Committee and enclosed documents dated 8 April 2025*
4. *Letter received from the project regarding addressing the demands of the Committee and enclosed documents dated 27 March 2025*
5. *Letter submitted by the Committee to the project dated 11 March 2025*
6. *Decision made after the discussion at the Ministry of Physical Infrastructure and Transport dated 18 March 2024, proposal submitted by the Secretary of the Ministry regarding agreement in principle for compensation to the locals and resolution of problems dated 30 November 2023, and letter sent by the Chief Secretary of the Cabinet of Ministers of the Government of Nepal with the Cabinet decision to endorse/implement the proposal dated 14 December 2023*