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# Exploring Government's Eminent Domain in Land Acquisition: Inevitability of Compensation and Public Benefit

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#### Abstract

The paper discusses the concept of an eminent domain with special reference to land acquisition and the significance of the compensation payment to the concerned person. Each individual has rights regardless of their background, however, not all rights are absolute in nature. The government, in its official capacity, can acquire or withhold certain rights, such as the right to property, through the doctrine of eminent domain. Thus, eminent domain is a power of the government to acquire private property for public use, as long as it serves a public purpose. This power, inherent to sovereignty, typically doesn't need constitutional recognition. However, the government must fulfill due diligence and prerequisites before encroaching upon individual property rights. Eminent domain reads for an adequate compensation as a crucial element for its application. The paper aims to explore the theoretical aspects of eminent domain, referencing to the significance of compensation payment and public benefit as justifiable grounds to invoke the power of eminent domain. It analyzes the conditions under which property can be lawfully expropriated through eminent domain and the grounds for justifiable acquisition. Additionally, it delves into how compensation is determined and provided to ensure it is fair and reasonable.

**Key words:** Eminent Domain, Compensation, Due Diligence, Acquisition, and Expropriation, Public Purpose

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#### Background

The term "eminent domain" seems to have originated in 1925 by Hugo Grotious who wrote of this power in his work "*De Jure Belli ET Pacis*". The Latin term "*dominium emines*" ("supreme lordship") was used in the 17<sup>th</sup> century.<sup>1</sup>"Eminent Domain" means permanent (eminent) and dominion (Domain) of the state on the property which literally means an inherent power of the state to take private property for the public purpose ultimately for the public convenience. Thus, it is the power of the government to take private property when it is needed for public purposes. Such power is an incident of sovereignty, and it generally requires no constitutional recognition. It is an inalienable power because it is founded upon the common necessity and interest of the entire community at large.<sup>2</sup>Thus, it lies on the famous maxim "salus populi est suprema lex" which means that the welfare of the people or the public is paramount law and also on the maxim "necessita public major estquam" which means public necessity is greater than private.<sup>3</sup>

An incidental limitation of this power is that the property shall not be taken without just compensation.<sup>4</sup>Eminent domain power is unopposed authority subject to payment of compensation to the person damaged. Eminent domain power originates out of the constitutional provisions.

However, this power is invoked generally, to acquire the land as the private property of an individual extending its scope of application to the Intellectual property as authorized by article 31 of TRIPS for a public purpose. <sup>5</sup> Thus, the power of eminent domain is not limited within the ambit of real property.

In many jurisdictions, the power of eminent domain is tempered with a right that just compensation is made for appropriation. The term "condemnation" is used to describe the act of the government exercising its authority of eminent

<sup>&</sup>lt;sup>1</sup> T. Padma, K.P.C. Rao, *The Principles of Land Laws*, Alt Publications, Hyderabad- 2, 2011 edition, p. 50.

<sup>&</sup>lt;sup>2</sup> Russell Weaver, *Constitutional Law: Case Materials and Problems*, Wolters Kluwer Law and Business, 2<sup>nd</sup> edition, 2008, p.541

<sup>&</sup>lt;sup>3</sup> T. Padma, K.P.C. Rao, *The Principles ofLand Laws*, Alt Publications, Hyderabad- 2, 2011 edition, p. 49.

<sup>&</sup>lt;sup>4</sup> N. Maheshwara *Swamy's, Land Laws'*, Asia Law House, Hyderabad, 1<sup>st</sup> edition, 2006, p.7.

<sup>&</sup>lt;sup>5</sup> Article 31, TRIPS, Available at <u>WTO | intellectual property (TRIPS) - agreement text -</u> <u>standards</u>, Accessed on 19<sup>th</sup> September 2023.

domain.<sup>6</sup> Condemnation via eminent domain indicates the government is taking the property; usually the only thing that remains to be decided is the amount of just compensation. Condemnation of buildings on grounds of health and safety hazards or gross zoning violation usually does not deprive the owner of the property condemned but requires the owner to rectify the offending situation.<sup>7</sup>

#### **Prerequisite of Eminent Domain: Public Purpose and Compensation**

The term "public purpose" refers to the underlying rationale or justification for the acquisition of private property by the government through eminent domain. It implies that the intended use of the land serves the broader interests of society or the community as a whole, rather than solely benefiting specific individuals or entities. In essence, when a government entity seeks to acquire land using eminent domain, it must demonstrate that the intended purpose of the acquisition aligns with the concept of public welfare or the general interest of the community. This typically involves considerations of socio-economic welfare and the well-being of the people affected by the acquisition.<sup>8</sup> Furthermore, the concept of public purpose goes beyond mere utility or convenience; it encompasses the notion of public good. This means that the use of the land acquired through eminent domain should contribute positively to the common welfare and enhance the quality of life for the community as a whole.<sup>9</sup>

Land Acquisition Act 2034 has defined the public purpose in Section 2(b) as the purpose undertaken for the benefit or use of the public, or functions to be undertaken by Government of Nepal. This term also means the following:

- (1) Project approved by Government of Nepal.
- (2) Project undertaken by local bodies in different levels.

# The prerequsities to invoke an Eminent domain power can be enlisted as:

<sup>&</sup>lt;sup>6</sup> T. Padma, K.P.C. Rao, *The Principles of Land Laws*, Alt Publications, Hyderabad- 2, 2011 edition, .p. 51

<sup>&</sup>lt;sup>7</sup> Ibid, p. 50

<sup>&</sup>lt;sup>8</sup> D.D. Basu, *Shorter Constitution of India*, Wadhwa & Comp. Law Publisher, New Delhi, 17<sup>th</sup> edition, 1995, p.211.

<sup>&</sup>lt;sup>9</sup> V.G.Ramachandra's, *Law Of Land Acquisition And Compensation*, Eastern Book Company, Lucknow, 7<sup>th</sup> edition, 1960, p. 158.

#### 1. Notifications of an acquisition.

Section 6 of the Land Acquisition Act 2034 outlines the preliminary actions required for land acquisition. The officer initiating these actions is mandated to post a notice copy in various accessible locations for stakeholders, including places frequently visited near the concerned land, the respective Village Development Committee and Municipality Office, and on the door or compound wall if the acquisition involves a house or compound wall. Subsequently, after a three-day notification period, the officer, accompanied by employees and workers, may enter the land or house compound to conduct specific tasks. These tasks include surveying or mapping the land, collecting soil or stone samples through digging or boring to assess suitability for acquisition, demarcating lands deemed suitable, and installing equipment for these operations. These provisions ensure transparency and stakeholder awareness in the initial stages of land acquisition processes.

# 2. Justifiability of an acquisition.

Under the doctrine of ultra vires following sorts of the acquisition can be challenged as non-justifiable public purpose<sup>10</sup>:

- a. Mala-fide land acquisition serving the individual interest in name of the public interest.
- b. The Government exercising power is null and void.
- c. Acquisition that deprives the basic food and livelihood of the concerned person.
- d. Acquisition is intended to earn personal advantage.
- e. Non-application of the due procedure and notice in accordance with the prevailing laws and regulations.
- 3. <u>Acquisition Creates the Liability of the Compensation as a MUST RULE</u> Etymologically the term "compensation" means the image of balancing one thing to another.<sup>11</sup> Generally, Compensation is termed as anything provided to equivalent the damaged items, to recompense, remuneration to pay which

<sup>&</sup>lt;sup>10</sup> P.K. Sarkar, *Law of Acquisition Of Land In India*, Eastern Law House, Kolkata, 1<sup>st</sup> edition, 2002, p.312.

<sup>&</sup>lt;sup>11</sup> Smt. Janhvi, Legal Regime on Land Acquisition In India – A Critical Study, The Award Of The Degree Of Doctor Of Philosophy In Law, Law Karnataka State Open University, 2014.

is not necessary to be in form of the money itself. In addition, this should be followed by the payment of acquisition for the public good at large<sup>12</sup>, because every violation of the rights of ownership causing damages to the owner creates the liability of the concerned body to make the compensation for the dame created.<sup>13</sup> This principle of compensation is applicable even if it is indulged by the state power.<sup>14</sup>

#### 4. <u>The Jurisprudence of the Compensation</u>

The primary indicators in the acquisition of the property are the "Determination of Quantum of Compensation" which must be settled via agreed and meaningful principles of the regulations. <sup>15</sup> The term compensation generally means the commodity provided to restore, amend and re-compensate the things as it was previously. Therefore, it does not necessarily need to be in terms of the money only.<sup>16</sup> However, it should be considered that the nature and extent of the injury suffered by the victim is determined by the amount paid. <sup>17</sup>

The terminology compensation in constitutional provision also reads that compensation need not necessarily be in form of money.<sup>18</sup> In other terms compensation is the amount provided for the restoration of loss of the

<sup>&</sup>lt;sup>12</sup> V.G.Ramachandra's, *Law Of Land Acquisition And Compensation*, Eastern Book Company, Lucknow, 7<sup>th</sup> edition, 1960, p. 142.

<sup>&</sup>lt;sup>13</sup> Ibid, p. 141.

<sup>&</sup>lt;sup>14</sup> Ibid, p. 144.

<sup>&</sup>lt;sup>15</sup> Hiren Sureshbhai Somaiya, Compensatory Jurisprudence: With Special Reference To State Of Gujarat In Context Of Land Acquisition Laws, The Award Of The Degree Of Doctor Of Philosophy, Gujarat University, 2020.

<sup>&</sup>lt;sup>16</sup> Naveen Kumar Singh, *Law Relating to Land Acquisition In India: Emerging Trends And Issues*, The Award Of Degree Of Doctor Of Philosophy In Law, Maharshi Dayanand University, 2018, Available at <u>http://hdl.handle.net/10603/216079</u>, Accessed on 21<sup>st</sup> September 2023.

<sup>&</sup>lt;sup>17</sup> Latha S., Compensatory Jurisprudence in India Restorative Justice in India, Thilagaraj R., Liu J Ed Springer Series on Asian Criminology And Criminal Justice Research. Springer, Cham, 2017.

<sup>&</sup>lt;sup>18</sup> Constitution Of Nepal, art.25(3), Available At <u>Https://Ag.Gov.Np/Files/Constitution-Of-Nepal\_2072\_Eng\_Www.Moljpa.Gov\_.Npdate-72\_11\_16.Pdf</u>, accessed on 15<sup>th</sup> December 2022

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earning.<sup>19</sup>Therefore, it is to recompense the equivalent damaged loss.

Regarding compensation, Nehru mentions the following requirements to acquire the property of an individual for public purpose:

- 1. No sort of expropriation shall not be executed without the compensation as read by the constitution itself.
- 2. The state shall pay compensation if it has acquired the property for the sake of public good.  $^{20}$
- 3. The prescribed law shall define the manner and methodology of the compensation in which compensation shall be determined and paid.<sup>21</sup>
- 4. The state shall assure the fair and equitable compensation payment if the property is acquired for the public purpose.<sup>22</sup>
- 5. There shall be just and equivalent compensation payment for the interest in the property required,<sup>23</sup> and the judiciary shall come into the picture only if there is 'gross abuse of the law' or if there is 'fraud on the constitution' itself. In other circumstances, parliament could be the final authority.<sup>24</sup>

# Methodology of the Compensation

#### The Principle of Land for Land

Section 42 of the Guthi Corporation Act 2033 stipulates that in cases where the Government of Nepal acquires land belonging to a Guthi, it has the option to provide a substitute plot of land instead of offering monetary compensation for the acquired land. There shall be the meaningful rehabilitation and resettlement policy and its execution without any condition to address the displaced persons settlement because of the legitimate acquisition of the Government. They shall

<sup>&</sup>lt;sup>19</sup> Smt. Janhvi, *Legal Regime on Land Acquisition In India – A Critical Study*, The Award Of The Degree Of Doctor Of Philosophy In Law, Law Karnataka State Open University, 2014.

<sup>&</sup>lt;sup>20</sup> V.N. Shukla's, *Constitutional Law of India*, Rev'd. Eastern Book Company,12<sup>th</sup> edition, 2008, p.908.

<sup>&</sup>lt;sup>21</sup> Thomas M. Codey, Treatise on The Constitutional Limitations Which Rest Upon the Legislative Power Of the States Of The American Union 1999, p. 165.

<sup>&</sup>lt;sup>22</sup> Ibid

<sup>&</sup>lt;sup>23</sup> D.N. Sharma, Constitutional Provisions Ownership of Law, G.S. Sharma Ed., N.M. Tripati, Property RelationsIn Independent India; Constitutional & Legal Implications, Bombay,1967, pp.269-70.

<sup>&</sup>lt;sup>24</sup> Ibid

not only live but also improve upon it. <sup>25</sup> Land is the lifelong and inheritable livelihood producing assets.<sup>26</sup> Therefore, it will be an adequate form of compensation in comparison to the cash payment as a compensation.

#### The principle of Cash for Land

Section 13 of Land Acquisition Act 2034 reads to provide the compensation for an acquisition of the land in form of the cash. Similarly, Section 7 provides compensation is mandated for losses incurred due to the clearing of crops, trees, demolition of structures like walls, and any damage resulting from earth excavation or digging. The officer overseeing initial actions is tasked with assessing and disbursing the compensation to the affected party. However, if the affected individual disputes the compensation amount, they have the option to file a complaint with the Chief District Officer.

This principle is creating the undervaluation of land acquired and the sums paid on cash for land acquired are not adequate for the affected people because they must rehabilitate themselves on their own<sup>27</sup>. Therefore, the cash for land principle must be accompanied and corroborated by the Hull Formula<sup>28</sup> of the compensation payment.

#### **Bargaining Approach**

This approach seeks adequate and appropriate resettlement and rehabilitation whether this is applied or not. There shall not be a top-to-down approach of the policy without consultation of the affected person regarding the rehabilitation and resettlement. Rather an alternative method of the bargaining approach in between the displaced person and the authority concerned shall be there to assure the collective bargaining.<sup>29</sup> The bargaining power shall be given to the affected

<sup>&</sup>lt;sup>25</sup> Sukumar Das, *Acquisition Compensation & Rehabilitation*, 43 Administration, 1988, p.37.

<sup>&</sup>lt;sup>26</sup> Sangeeta Goyal, 'Economic Perspectives on Resettlement and Rehabilitation', *Economic and Political Weekly*, Volume 31:24, 1996.

<sup>&</sup>lt;sup>27</sup> Ibid.

<sup>&</sup>lt;sup>28</sup> Editorial Comment, <u>American Journal of International Law</u>, Volume 78:1, 2017, pp. 121 – 130, and R. Rajesh Babu, Changing Trajectories of the Investment Protection in India: An Analysis of Compensation for Expropriation, Trade, Law and Development, Volume 6:2, 2014 Available at <u>Changing Trajectories of Investment Protection in India:</u> <u>An Analysis of Compensation for Expropriation by Rajesh Babu :: SSRN</u>, Accessed on 21<sup>st</sup> September 2023.

<sup>&</sup>lt;sup>29</sup> Ramesh C. Nayak, *Development and Displacement in Kalinga Nagar*, 2008, p.20.

person to find acceptable options and to negotiate the substantial share of the projects.  $^{\rm 30}$ 

The legitimate authority may hold and possess any part of the territory for common safety for the public purpose<sup>31</sup>. However, there are two inbuilt situations of such possession:

- 1. The right of the expropriated owner to safeguard the compensation.
- 2. There shall be the justiciability of the public purpose.<sup>32</sup>

# Legislative Framework

Article 25 of the Constitution of Nepal outlines the rights of citizens regarding property ownership and government acquisition. It grants citizens the right to acquire, own, sell, dispose of, and otherwise deal with property, subject to the law. However, the state is permitted to requisition, acquire, or encumber private property only in cases of public interest, and it must provide compensation to the affected individuals.

This provision highlights that the right to property is not absolute, and the government's power of eminent domain is not unlimited. While citizens have the right to property, the state can intervene for public interest purposes, provided that compensation is paid. This balance ensures that property rights are respected while allowing for necessary public projects and initiatives.

Section 25 of the National Civil Code stipulates that individual property cannot be acquired, requisitioned, auctioned, or forfeited except in cases of public purpose and with payment of compensation. The acquisition process must adhere to due legal procedures to ensure legitimacy. This provision underscores the principle that private property rights are protected, but the government can intervene for public benefit, provided proper compensation is provided and legal procedures are followed.

Section 3 of The Fixed Assets Act 2013 (Achal Sampatti Adhigrahan Ain 2013)<sup>33</sup> establishes the right of the Nepal Government, Province Government,

<sup>&</sup>lt;sup>30</sup> Ibid.

<sup>&</sup>lt;sup>31</sup> V.G.Ramachandra's, *Law Of Land Acquisition And Compensation*, Eastern Book Company, Lucknow, 7<sup>th</sup> edition, 1960, pp 1-2.

<sup>&</sup>lt;sup>32</sup> Om Prakash Aggarwal, *Commentary on The Land Acquisition Act, Rev'd*U.S, 8<sup>th</sup> edition, 2008, p.3.

<sup>&</sup>lt;sup>33</sup> अचल सम्पत्ति अधिग्रहण ऐन, २०१३, Nepal, s.3, Available at <u>अचल-सम्पत्ति-अधिग्रण-ऐन-</u> २०१३,pdf (lawcommission.gov.np), Accessed on 21<sup>st</sup> September 2023.

and Local Level Government to acquire immovable property for public purposes. Upon identifying the need for acquisition, concerned authorities must notify relevant personnel within 35 days. During this period, individuals are prohibited from selling, modifying, or leasing the property. However, certain properties, such as those used for family settlements or public facilities like schools or religious sites, are exempt from acquisition.

Similarly, The Fixed Assets Act 2013 section 3 outlines the power of Nepal government regarding its acquisition of fixed assets in consideration of given conditions:

- 1. If the Federal Government, Province Government and Local Level Government finds the necessity to the acquisition of fixed assets for the public purpose.
- 2. The concerned personnel shall notify the concerned authority within 35 days if there is reasonable ground for not acquiring the land by Nepal Government.
- 3. Any person cannot sell, modify the original structure, and lease the concerned property within 35 days from the date of receipt of notice from the Nepal Government.
- 4. The Government in consultation of owner/any other concerned personnel can issue a written notice of an order if finds the utmost necessity to the acquisition of the land. However, the following property shall not be acquired:
  - If the owner is using the concerned assets for the family settlement,
  - Public places including the religious place, school, hospital, library, orphanage, etc.

#### Analysis

#### Land Acquisition upon an Application of Due-Diligence

The principle of due diligence is a standard of care and attention that a reasonable person exercises under specific circumstances to avoid harm to oneself or others. In legal contexts, due diligence often refers to the careful investigation and assessment of facts and risks associated with it. This includes verifying the accuracy of information provided, assessing potential legal risks, and ensuring compliance with relevant laws and regulations. Land Acquisition

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Act 2034 has explicitly mentioned about the due procedure for the acquisition of property which includes the notification to an owner whose property is intended to acquire, consent from an owner to acquire the property, compensation payment and rehabilitation of the property. Thus, any property can be acquired only upon the fulfillment of due process.

# Fair Market Value Method

This is the price at which the property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. This method presupposes that there is a real market where such transactions can be carried out.

#### The criterion to define the market value:

Generally, the price an ordinary private purchaser expects to buy the property is called the market value. The indicators to define the market value can be enlisted as:

- 1. The original price at which the land was bought.
- 2. The current valuation or the capitalization of the property at present.
- 3. The value at which the land in the neighborhood is sold or is valued i.e., the peripheral value.

# Sovereign Right over the Land

The power of eminent domain gives the state with a sovereign right over the land to acquire upon the necessity and it has been identified through established Customary International Law that an expropriation requires compensation regardless of purpose being beneficial to the public in general.<sup>34</sup> Any sovereign right over the land requires an 'appropriate compensation<sup>35</sup>. Pre-eminent Public Interests do not suffice compensation.<sup>36</sup>

#### The Doctrine of Ultra Vires

Acquisition of individual property for the public interest is the legitimate expectation of the Government. However, the acquisition of the property cannot

<sup>&</sup>lt;sup>34</sup> Marvin Roy Feldman Karpa V United Mexican States, ICSID, 2002, Case no.ARB (AF)/99/1; Azurix Corp. v. The Argentine Republic, ICSID, 2006, Case No. ARB/01/12.

<sup>&</sup>lt;sup>35</sup> Charter Of Economic Rights and Duties of States, 18 May 1972, UNGA Resolution 3281.

<sup>&</sup>lt;sup>36</sup> Andrew Newcombe, *The Boundaries ofRegulatory Expropriation in InternationalLaw*, Available at SSRN: <u>https://ssrn.com/abstract=703244</u>, Accessed on 2<sup>nd</sup> January 2023.

be implemented for the sake of the individual interest protection and promotion which will create the situation of ultra vires violating the limitation of acquisition principle.<sup>37</sup> The principle of ultra vires is applicable even if the land is acquired for the pure industrial concern working solely for its own gain, even though the goods produced by the concern may be of use to the general public.<sup>38</sup> To ensure the compliance with legal provision of an acquisition shall meet the following standards<sup>39</sup>:

- a. No deprivation of property rights without application of the due process of law.
- b. Acquisition of the property for the public use and public purpose.
- c. Just compensation payment shall be done to the party upon encroachment of the property.
- d. No physical seizure of the land,
- e. Government regulation shall not cause the reduction in property valuation and
- f. Government shall not make an unreasonable insist for public use.

# **Conclusion and Recommendations:**

#### Free Prior, and Informed Consent (FPIC)

Dozens of landowners and the community members submitted a petition on 8<sup>th</sup> August 2021 to the Ministry of Home Affairs against the decision of the Government to continue the land acquisition for the Marsyangdi Corridor Transmission Line Project. The petition was submitted through Chief District Officer of Lamjung. The project aimed to build over the homes, lands, forests and community spaces to transfer the electricity to the Kathmandu Valley which is produced in the Annapurna Conservation Area. The petition requested for the

<sup>&</sup>lt;sup>37</sup> Smt. Janhvi, Legal Regime on Land Acquisition In India – A Critical Study, The Award Of The Degree Of Doctor Of Philosophy In Law, Law Karnataka State Open University, 2014.

<sup>&</sup>lt;sup>38</sup> Ibid.

<sup>&</sup>lt;sup>39</sup> Eminent Domain-The basic Law, Law offices of Stimmel, Stimmel and Roser, Available at <u>Eminent Domain - The Basic Law | Stimmel Law (stimmellaw.com)</u>, Accessed on 21<sup>st</sup> September 2023.

Free Prior, and Informed Consent (FPIC) before acquiring the land.<sup>40</sup>

<u>Public Participation</u>

Public participation shall be ensured from the very inception of planning, implementing, monitoring and evaluating the project with other concerned stakeholders. This will also empower the citizens in decision making.

- Access to information Dissemination (laws and procedures)
- Institutional reformation and policy performance.<sup>41</sup>

However, the affected families claimed that they were evicted without information, consultation, and compensation in the name of road widening drive.<sup>42</sup>

# Scientific and More Practicability

Regarding the land acquisition in Nepal, it is defining the four-decade-old land acquisition law as the fundamental law. Thus, it must be reformed and amended to make the process more simple, specific, and scientific with the approach of compensation to be more scientific and inclusive.<sup>43</sup> It will enable the restoration of livelihood for the displaced people out of the land acquisition.<sup>44</sup> It has to be settled at the pre-project's levels. The pre-project must be followed by compensation at the post-displacement period. Thus, it is now of the utmost urgency for the government to reform the old-fashioned land acquisition laws and accommodate proven provisions of global practices that ultimately serve the core interests of

<sup>&</sup>lt;sup>40</sup> FPIC & Rights Forum, LAHURNIP, Accountability Counsel, Communities in Nepal resist forcible land acquisition by harmful EU funded infrastructure project, 2021, available at <u>Communities in Nepal resist forcible land acquisition by harmful EU</u> <u>funded infrastructure project | Accountability Counsel</u>, accessed on 2<sup>nd</sup> January 2023.

<sup>&</sup>lt;sup>41</sup> Reshma Shrestha, Assessing the transparency in land acquisition for Road Development (Case of outer Ring Road in Kathmandu Valley), 2009, Available at <u>Microsoft Word -</u> <u>Thesis Final Shrestha (utwente.nl)</u>, accessed on 2<sup>nd</sup> January 2023.

<sup>&</sup>lt;sup>42</sup> People Affected By Road Widening Drive Stage Demonstration At Maitighar, *My Republica*, Kathmandu, 23 February 2017, available at <u>People affected by road-widening drive stage demonstration at Maitighar - myRepublica - The New York Times Partner, Latest news of Nepal in English, Latest News Articles (nagariknetwork.com), accessed on 2<sup>nd</sup> January 2023.</u>

<sup>&</sup>lt;sup>43</sup> Prem Khanal, Nepal's Archaic Land Acquisition Laws, *The Kathmandu Post*, <u>Kathmandu</u>, August 25, 2021, available at, <u>Nepal's archaic land acquisition laws</u> (kathmandupost.com), accessed on 2<sup>nd</sup> January 2023.

<sup>&</sup>lt;sup>44</sup> Ibid

investors, the project, and the impacted people.45

#### **Development of the Resettlement Plan**

The resettlement plan must be defined and operated before the land acquisition, and it has to be transparent amongst the affected public at large. It will enable the public to understand the methodologies adopted and principles applied for the determination of the compensation. The resettlement plan must be very meaningful and will restore the affected livelihood of the people whose land has been acquired. It gives the affected individualadequate time to decide whether to agree or not with the proposed compensation and the negotiation thereafter. Arun-3, the mega infrastructure projects in Nepal can be considered as the example of Resettlement Plan acquiring fifty hectares of land approximately in four months without any single protest. Thus, it is a successfully experimented example of Resettlement Plan.<sup>46</sup>

#### The legitimate Expropriation by the State

Lawful Expropriation means the process to transfer the title of the property to the state whereby the state exercises the sovereign right of the state. Following grounds must be taken into the consideration for the lawful expropriation:

- 1. Property must be taken for a public purpose.
- 2. On a non-discriminatory basis.
- 3. In accordance with due process of law.
- 4. Accompanied by compensation.<sup>47</sup>

In 1960s and 1970s the appropriate compensation is widely defined and embodied in the United Nations General Assembly resolutions and represent the standard of Customary International Law.<sup>48</sup>

<sup>&</sup>lt;sup>45</sup> Prem Khanal, Nepal's Archaic Land Acquisition Laws, *The Kathmandu Post*, <u>Kathmandu</u>, August 25, 2021, available at, <u>Nepal's archaic land acquisition laws</u> (kathmandupost.com), accessed on 2<sup>nd</sup> January 2023.

<sup>&</sup>lt;sup>46</sup> Ibid.

<sup>&</sup>lt;sup>47</sup> Expropriation UNCTAD Series On Issues In International Investment Agreements II, United Nations New York And Geneva, 2012, Available At <u>Https://Unctad.Org/System/Files/Official-Document/Unctaddiaeia2011d7\_En.Pdf</u>, Accessed On 7<sup>th</sup>January 2023

<sup>&</sup>lt;sup>48</sup> Permanent Sovereignty Over Natural Resources, 8 May 1952, UNGA Resolution 1803, art. 4 &Charter of Economic Rights and Duties of States, 18 May 1972, UNGA Resolution 3281.

# Post Expropriation shall be addressed as<sup>49</sup>:

Government shall implement the measures to ensure fairness, transparency, and accountability in the process. This can help to ensure post-expropriation issues in a fair, transparent, and accountable manner, thereby minimizing conflicts and promoting social justice and development. Restitution of expropriated property is a remedy available only for unlawful takings, although this appears to be only a theoretical difference. Post expropriation is of utmost necessity because there may be consequential losses different from loss of profits and not linked to the property's value at the moment of the expropriation.

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<sup>&</sup>lt;sup>49</sup> UNCTAD Series on Issues in International Investment Agreements II, Expropriation, United Nations, New York, 2012, available at <u>Expropriation: A Sequel (unctad.org)</u>, Accessed On 7<sup>th</sup> January 2023

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