

Resettlement Plan

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Bhutan: Green and Resilient Affordable Housing Sector Project – Thimphu

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CURRENCY EQUIVALENTS

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\$1.00	=	Nu74.43

ABBREVIATIONS

ADB	–	Asian Development Bank
BAHP	–	Bhutan Affordable Housing Development Project
BHRM	–	Bhutan Resident Mission
BSR	–	Bhutan Schedule Rates
ASO	–	Assistant Safeguards Officer
CAPPC	–	Community Awareness and Public Participation Consultant
CBO	–	Community based Organization
CMSC	–	Construction Management and Supervision Consultants
CRO	–	Complaint Receiving Officer
DBO	–	Design Built Operation
DDR	–	Due Diligence Report
DLAC	–	Dzongkhag Land Acquisition Committees
DMS	–	Detailed Measurement Survey
DPR	–	Detail Project Report
EARF	–	Environmental Assessment and Review Framework
EMP	–	Environmental Management Plan
ESP	–	Elementary Service Personnel
ESSU	–	Environmental and Social Safeguards Unit
GAP	–	Gender Action Plan
GBV	–	Gender based Violence
GESI	–	Gender Equality & Social Inclusion
GRAHSP	–	Green and Resilient Affordable Housing Sector Project
	–	Grievance Redressal Committee
GRC		
GRM	–	Grievance Redress Mechanism
HSE	–	Health & Safety
IEC	–	Information Education & Communication
ILCS	–	Institute of Language & Cultural Studies
IPP	–	Indigenous Peoples Plan
IPPF	–	Indigenous Peoples Planning Framework
LPRR	–	Land Pooling and Readjustment Regulation
MOF	–	Ministry of Finance
NGO	–	Non-governmental Organization
NHDCL	–	National Housing Development Corporation Limited
NKRA	–	National Key Result Areas
NLC	–	National Land Commission
NMC	–	National Mushroom Centre
NOC	–	No Objection Certificate
PAM	–	Project Administration Manual
PAVA	–	Property Assessment and Valuation Agency

PIAC	–	Project Implementation Assistance Consultants
PIU	–	Project Implementation Unit
PMU	–	Project Management Unit
PSC	–	Project Steering Committee
QPR	–	Quarterly Progress Report
RGOB	–	Royal Government of Bhutan
RIM	–	Royal Institute of Management
RIPP	–	Resettlement and Indigenous Peoples Plan
R&R	–	Resettlement & Rehabilitation
ROW	–	right-of-way
SSMR	–	Semi-annual Social Safeguard Monitoring Reports
SGC	–	Safeguards and Gender cell
SPS	–	Safeguard Policy Statement, 2009
TOR	–	terms of reference

WEIGHTS AND MEASURES

km	-	kilometer
m	-	meter
km ²	-	square kilometer
m ²	-	square meter

NOTE

In this report, "\$" refers to United States dollars.

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EXECUTIVE SUMMARY

Background: The Green and Resilient Affordable Housing Sector Project (GRAHSP) will assist the Royal Government of Bhutan (RGOB) to establish housing infrastructure (i.e., shelters and other facilities) and provide services i.e., business development, child care centers (crèches), to marginalized urban workers including survivors of gender based violence (GBV), vulnerable women (victims/survivors of violence, poor working mothers caring for children and marginalized informal sector workers) in Thimphu, Phuentsholing municipalities (*thromde*), Nganglam, and Samdrup Jongkhar while also adopting climate adaptation and disaster risk reduction in housing projects. The Project is in line with ADB's Strategy 2030, the Country Partnership Strategy (2019-2023) and the 12th Five-Year Plan's national key result area (NKRA) of sustainable human settlements and gender equality. In the 12th Five-Year Plan, one of the aims is to remove barriers (including Gender Based Violence) that limit the opportunities and potentials of women and girls by creating enabling policies and providing adequate support services.¹ The Project is also aligned with the Disaster Management Act (2013) and supports a systematic approach to disaster risk management.

Subproject Description: The project will be implemented in several towns, one of which is Thimphu. In Thimphu, the components that will be developed are: (i) Housing blocks of category III (2 buildings) and IV (3 buildings) and 1 BHK (3 buildings) in total having 110 units; (ii) service centre building; (iii) approach and internal roads; (iii) septic tank and soak pit, (iv) pedestrian footpath, (v) parking lot for tenants; (vi) nature-based drainage (bio-swale); (vii) rainwater harvesting tank; (viii) drinking water tank and (ix) electric sub-station.

Scope of Land Acquisition and Resettlement: No involuntary acquisition of private land is anticipated for this subproject. However, the existing government land registered in the name of the National Housing Development Corporation Limited (NHDCL) already has old housing units occupied by tenants, namely officers working at the National Mushroom Centre (NMC). These units will be dismantled. Since the tenants are government employees, they receive housing allowance from the government as part of their salary, and all the officers and/or professionals among them will be able to afford housing within Thimphu. Eight families who are low-income support service staff who currently stay in basic and temporary housing provided by the NMC, are likely to face difficulty in finding affordable housing. Both the NMC professional staff and the low-income support staff receive 20% of their salary as housing allowance. The low-income staff will be provided basic housing which is like their current housing at an alternative site at Wangchutaba, a suburban area of Thimphu, where they can live without paying rent. A government pig farm near the proposed relocation site will be shifted out so that the health and safety of the relocated households is not compromised.

A 100% census and socio-economic survey of affected persons was undertaken; impacts identified to document the status of affected persons within subproject impact area. In total 20 families and a total of 78 persons were initially assessed as affected. As of August 2021, however, NHDCL allotted government housing to five affected families of NMC with a total 22 affected family members at the government housing colony in Changjiji in Thimphu, as per the government's norms. Therefore, the remaining 15 affected families will have to relocate, of which seven are families of professional staff of NMC and eight are low-income staff of NMC and their families. These 15 families are government employees living in government-provided housing. The 15 families have 56 affected persons. One of the families that has received alternate government accommodation remains to be compensated for loss of minor structure and trees. In

¹ Gross National Happiness Commission. 2019. Twelfth Five Year plan. 2018-2023. Thimphu.

total, 16 families with 61 members are assessed to be affected and yet to be compensated (under the proposed subproject).

The government owned (Department of Livestock) piggery structures in Thimphu near the site where the low-income NMC staff will be relocated, will be moved to DOL land at Yusipang; none of the existing DOL employees will be affected.

The imminent relocation was discussed in a consultation meeting organized by NHDCL. As per government norms, the government employees who are tenants will vacate the premises by themselves. A one-time shifting allowance is proposed for each tenant. Other than this impact, no other impact is foreseen on private land or common property resources, other than marginal impacts on properties like temporary sheds, garages and storerooms constructed by the tenants themselves and one tenant whose livelihood will be affected partially. One tenant will partially lose income from a secondary income-generating activity her husband pursues. Further, no impacts to indigenous peoples are anticipated under the subproject.

All proposed affordable housing components will be accommodated within the demarcated housing area registered in NHDCL's name. Further, approach roads as well as service tapping points for water and electricity etc. are all available on-site or nearby.

Resettlement Plan updating: The resettlement plan will be reviewed, validated and updated prior to start of civil works and prior to the impacts and submitted to ADB for approval, by the PMU.

Consultation and Disclosure: During the project preparation phase, goals and objectives of the project have been shared with stakeholders (including, beneficiaries, affected persons, and institutional stakeholders) through consultation meetings. Stakeholders were briefed on technical details of the project, implementation cycle, project benefits and adverse impacts. A program of continuous consultation and disclosure is proposed. A summary of resettlement plan in local language will be disclosed to affected persons and key stakeholders.

Grievance Redress Mechanism: The resettlement plan will follow a three-tier project-specific grievance redress mechanism (GRM) as required by the resettlement framework for this project. The GRM will aim to provide a time-bound and transparent mechanism for grievance resolution.

Resettlement Budget and Financing Plan: For this subproject, a resettlement budget of Nu. 607,384.61 is estimated. PIU will issue release payment order to affected persons and transfer funds through bank cheque to affected persons. The budget will be used to compensate loss of privately owned and constructed structures, fruit trees and crops, livelihoods, and a one-time shifting/transportation allowance.

Institutional Setup: The Ministry of Finance of the Royal Government of Bhutan (RGOB) will be the executing agency (EA) of the Project and will be responsible for overall strategic approvals, guidance and monitoring the project. NHDCL will be the Implementing Agency (IA) for the project. The Project Management Unit (PMU) is housed in the NHDCL. Resettlement plan implementation will be closely monitored by PIU/PMU. Monitoring reports prepared by PIUs will be compiled by PMU on a quarterly and semi-annual basis for due submissions to ADB.

I. INTRODUCTION

A. Subproject Description

1. The proposed Green and Resilient Affordable Housing Sector Project (GRAHSP) is initial assistance sought by the National Housing Development Corporation Limited (NHDCL) of the Royal Government of Bhutan (RGOB) from ADB to establish housing infrastructure (i.e., shelters and other facilities) and provide services i.e., business development, child care centers (crèches), to marginalized urban workers including survivors of gender based violence (GBV), vulnerable women (victims/survivors of violence, poor working mothers caring for children and marginalized informal sector workers) in Thimphu, Phuentsholing municipalities (thromde), and in Nganglam, Trashiyangtse and Samdrup Jongkhar towns while also adopting climate adaptation and disaster risk reduction in housing projects. The Project is in line with ADB's Strategy 2030, the Country Partnership Strategy (2019-2023) and the 12th Five-Year Plan's national key result area (NKRA) of sustainable human settlements and gender equality. In the 12th Five-Year Plan, one of the aims is to remove barriers (including Gender Based Violence) that limit the opportunities and potentials of women and girls by creating enabling policies and providing adequate support services.² The Project is also aligned with the Disaster Management Act (2013) and supports a systematic approach to disaster risk management.

2. The GRAHSP is the first phase of assistance to support the RGOB to provide affordable housing to low-income earners in five towns in Bhutan with populations ranging from a lowest of 8,719 (Trashyangtse) to 138,736 in Thimphu. The project will support continued programs for augmenting the housing program of the Government which it has so far funded from its own resources and external assistance namely Government of India funding for developing housing in several districts around the country. The project will invest in (1) housing for marginalized urban workers in Thimphu and Phuentsholing comprising of civil servants, workers from corporations and private companies who earn low incomes and for whom the affordable housing is intended. A certain percentage of the housing will also be allocated to Bhutanese who have re-settled in Phuentsholing from Jaigaon due to COVID-19, are without housing and lodged in temporary housing at the Kidu³ Colony at Amochhu, near Phuentsholing; (2) Integrated service centers in affordable housing colonies comprising of facilities with services such as crèches for working mothers (operated on PPP model), health services including awareness campaigns on preventive measures for COVID 19 infection and similar diseases, psychological counseling, legal assistance, court representation, police protection, temporary shelter, livelihood and employment skills development, and assistance in community reintegration to be operated by the National Commission for Women and Children, an autonomous agency in Bhutan; (3) investment in disaster and climate resilient designs and related technologies.

3. Thimphu is the capital city of Bhutan located at an altitude of 2,300 meters above sea level in the western region of the country. The city covers an area of 26 km² and administratively falls under Thimphu district but it has an autonomous Thromde (municipality) which oversees all affairs of the city. Thimphu is located 52 km away from Paro where the international airport is located and 180 km away from Phuentsholing located at the southern border with the Indian state of West Bengal. As the capital city of the country, all the ministries of the government, state owned enterprises, and businesses have their head office in Thimphu. Thimphu also is the most populous among all urban centers in Bhutan. In 2017 the population of Thimphu was 138,736 which is 19% of the total population of Bhutan.

² Gross National Happiness Commission. 2019. 12th Five-Year plan. 2018-2023. Thimphu.

³ 'Kidu' is welfare

4. Thimphu city is well endowed with urban infrastructure and amenities as compared to other towns. It also has substantial stock of housing dwellings constructed by the NHDCL, the National Pension and Provident Fund (NPPF) as well as housing provided by corporations and some ministries of the RGOB. Despite these provisions and given the rate of growth of Thimphu's population due to in-migration from other districts, housing continues to be short of demand. More so, there is huge demand for NHDCL housing mainly because the rentals are much more reasonable than that charged by private real estate owners for the same floor space. People of Thimphu working in lower grades in the civil service and in lower positions in state owned corporations, private enterprises and industries continue to face the challenge of in-affordable housing. There is currently a waiting list of around 2,041 persons⁴ for housing in Thimphu who have applied for government housing in Thimphu.

B. Proposed Subproject Components

5. **Subproject Description:** Proposed subproject components include: housing blocks of category III and IV and 1 BHK; five storied structures totaling eight buildings, a Service Centre Building, parking lot for tenants, approach and internal roads with internal pedestrian pathways, septic tanks and soak pits, drinking water and rain water harvesting tanks, drainage and sub-station.

6. Details regarding the housing complexes and number of units by category which will be developed in the targeted towns are presented in table 1. As observed in the table, Thimphu will receive eight (8) out of the total 123 buildings and 110 (11%) of the total 1,018 units which will be constructed under this project.

Table 1: Details of housing blocks by town, category and number of units to be developed under BAHP

S. No	Location	No. of buildings	No. of units
1	Thimphu	8	110
2.	Phuentsholing		
2a	Dungpa's Residence	4	96
2b	Ammochu (Bangay)	5	120
2c	Tading	57	400
2d	Rinchending	18	108
3.	Samdrup Jongkhar		
3a	(Dradulthang)	4	32
3b	Toed	11	88
4.	Nganglam	8	32
5.	Trashiyangtse	8	32
	Total	123	1,018

Source: Design & Planning Unit, NHDCL

7. The following figures in Table 2 describe the different infrastructural components of the Thimphu housing site.

⁴ Source: NHDCL

Table 2: Details of subproject components at housing colony at Semtokha, Thimphu

S. No	Subproject Components	Quantity of Structure	Land coverage in (sq. meters) required by each structure
1	Housing Blocks (Category III and IV)	<p>I. Construction of 2 numbers of 5 storied Category-III building of 10 units each totaling 20 units of housing apartments on government land. The buildings are of the following dimensions: 19.9M X 8.8 M.</p> <p>II. Construction of 3 numbers of 5 storied Category-IV building of 10 units each totaling 30 units of housing apartment on government land. The buildings are of the following dimensions: 16.9M X 7.1 M</p> <p>III. Construction of 3 numbers of 5 storied 1 BHK building of 20 units each totaling 60 units of housing apartment on government land. 19.5 M X 9.95 M</p>	<p>875.6 m²</p> <p>359.97 m²</p> <p>665.88 m²</p>
2.	Service Centre Block	Service center block: The building size is 19.5m x 9.95m	194.025 m ²
3.	Parking lot	Parking lot of area – 993.38 sq. m on government land	993.38 m ²
4.	Approach and internal road	Road of total length 0.098 km with off-take from government road (assured right-of-way) and aligned all within the plot allotted by ADB to NHDCL	490 m ²
5.	Septic tank and soak pit	Septic tank (12 M x 4 M) and soak pit (3 M dia) of dimensions are located within the demarcated plot registered in NHDCL's name	62.13 m ²
6.	Pedestrian footpath	Footpath of total length 0.306 km located within the demarcated plot registered in NHDCL's name	495 m ²
7.	Nature based drainage (bio-swale)	Drainage of a total length of 0.265 km located within the demarcated plot registered in NHDCL's name	
8.	Rainwater harvesting tank	Tank of dimensions 1500 MM dia located within the demarcated plot registered in NHDCL's name	12.56 m ²

S. No	Subproject Components	Quantity of Structure	Land coverage in (sq. meters) required by each structure
9.	Drinking water tank	Tank of dimensions 1400 MM dia located within the demarcated plot registered in NHDCL's name	
10.	Substation	Substation of dimensions 7 M x 7 M located within the demarcated plot registered in NHDCL's name	49 m ²

Source: Design & Planning Unit, NHDCL

Note: The total government land available for all proposed subproject components in Thimphu is 1.89 acres (approximately 7650 square meters), which is adequate to accommodate all components.

8. The draft resettlement plan for the Thimphu housing site is prepared based on the available preliminary design for the subproject. This document will be updated and reconfirmed for final involuntary resettlement impacts after completion of detailed measurement surveys (DMS) in sections ready for implementation.⁵ The draft and final resettlement plan will be reviewed and upon receipt of ADB's No Objection, disclosed on the websites of the implementing agency and ADB. Civil work will be taken up only after compensation payment to affected persons, as per entitlement matrix. The implementing agency will be responsible for handing over the project land/site to the contractor free of encumbrance.

9. **Measures to Avoid and Minimize Involuntary Resettlement Impacts:** To avoid and minimize involuntary resettlement impacts, the subproject proposes the use of government land which is already available and registered under NHDCL. NHDCL has already allocated available vacant housing units to 5 households of government employees who were willing to relocate, minimizing impacts to them. The project will also use the existing right-of-way of government roads within the existing available ROW for aligning the proposed approach roads to the site and existing service points and ducts. The Contractor will also ensure that access on the public roads adjacent to the housing plot is not hindered.

10. To minimize construction impacts, works will be executed between 8 AM and 6 PM when structures are being constructed especially on the eastern border of the plot which has private residential buildings. This is to avoid inconveniences to the public residing nearby. All safety norms would strictly be adhered to, taking into consideration that the site is located between two national highway routes and is directly opposite the Semtokha Dzong which houses the Institute of Language and Cultural Studies (ILCS) and Royal Institute of Management (RIM) which contain both academic and residential facilities for students. The Project Implementation Unit (PIU) will also ensure that all necessary rules related to safety and security of the public and residents are followed by the contractor. The construction schedule in terms of the total construction period, actual work hours and off-days for labourers will be discussed with stakeholders living proximate to the housing site such as private landowners and residents living in private housing, the management of ILCS and RIM.

⁵ Detailed measurement survey will be jointly conducted by Social Safeguard team (specialist and support staff) of construction management and supervision consultant (CMSC) and contractors prior to implementation at each site/stretch of alignment. PIU, CMSC and contractor will be responsible for conduct of DMS and Social Safeguard Specialist of CMSC will update Resettlement Plans prior to implementation.



Source: Design & Planning Unit, NHDCL

11. These measures will be part of the contract and will be implemented with careful monitoring by the concerned PIU.

C. Objectives of Resettlement Plan

12. This draft resettlement plan is prepared for proposed construction of housing and ancillary facilities within the plot allotted for developing affordable housing in Semtokha, Thimphu under the BAHF based on preliminary design. It addresses the potential involuntary resettlement impacts of the proposed subproject components and is consistent with the agreed resettlement framework for the Project, prepared in accordance with national laws and ADB SPS (2009).

13. This Resettlement Plan is prepared in accordance with ADB SPS, 2009 requirements for involuntary resettlement Category B projects and to meet the following objectives:

- (i) to describe the identified scope and extent of land acquisition and involuntary resettlement impacts because of identified project components, and address them through appropriate recommendations and mitigation measures in the Resettlement Plan;
- (ii) to present the socio-economic profile of the population in the project area, identify social impacts, including impacts on the poor and vulnerable, and the needs and

- priorities of different sections of the population, including women, poor and vulnerable;
- (iii) to describe the likely economic impacts and identified livelihood risks of the proposed project components;
 - (iv) to describe the process undertaken during project design to engage stakeholders and the planned information disclosure measures and the process for carrying out consultation with affected people and facilitating their participation during project implementation;
 - (v) to establish a framework for grievance redressal for affected persons that is appropriate to the local context, in consultation with stakeholders;
 - (vi) to describe the applicable national and local legal framework for the project, and define the involuntary resettlement policy principles applicable to the project;
 - (vii) to define entitlements of affected persons, and assistance and benefits available under the project;
 - (viii) to present a budget for resettlement and define institutional arrangements, implementation responsibilities and implementation schedule for resettlement implementation; and
 - (ix) to describe the monitoring mechanism that will be used to monitor resettlement plan implementation

II. SCOPE OF LAND ACQUISITION AND INVOLUNTARY RESETTLEMENT

A. Land Acquisition and Involuntary Resettlement

1. Housing buildings

14. **Construction of Housing Blocks:** Under this project and in the identified land plot at Semtokha, 3 km away from Thimphu, eight buildings will be constructed. No land acquisition is envisaged for the proposed subproject components as the plot of 7648.56m² (1.89 acres) is owned by NHDCL. However, the land is currently occupied by five cottages and three double storied buildings inhabited by staff working in the National Mushroom Center. These structures will be dismantled and replaced by new housing infrastructure. Since the existing buildings are inhabited but will be dismantled, impacts on current residents (government employees and their families) is anticipated. Summary table on the land availability, ownership status, dimensions and photographs is attached as Appendix 1. The land registration certificate issued by the National Land Commission (NLC) is attached in Appendix 2. The Google Map depicting proposed site is attached in Appendix 3.

2. Service Centre Block

15. Housing buildings and Service Centre Block are proposed within 1.89 acres of land owned by NHDCL and there are five cottages and three double storied buildings inhabited by staff working in the National Mushroom Centre. The Service Centre Block is a three-storied structure which will contain a site office of the NHDCL, an integrated service center to provide services for women and children which will be managed by the National Commission for Women and Children. No land acquisition is required as explained earlier for any of the facilities proposed on this plot because the proposed 7648.56 sq. m (1.89 acres) of land plot is owned by the Government, it has already been transferred in the name of NHDCL. The Service Centre Block too is proposed within this 7648.56 sq. m (1.89 acres) owned by NHDCL. Since the plot where the Service Centre

Block is proposed is currently occupied by existing housing which are occupied but which will be dismantled, there will be involuntary resettlement impacts.

3. Internal roads, pedestrian foot path and parking

16. Under the project internal roads, pedestrian footpath and parking area will be provided to ease both mobility within the housing colony and for parking of vehicles for residents in a dedicated parking space. Similar to the other facilities which will be provided within the housing plot allocated to NHDCL, no land acquisition is foreseen. Some of these facilities may replace the current housing units occupied by NMC staff thus involuntary resettlement impacts is inevitable.

4. Drinking water storage tank and rainwater harvesting tank

17. The project will also install a drinking water storage tank and a rainwater harvesting tank within the housing plot allotted to NHDCL. No land acquisition is expected since the plot is already registered in the name of NHDCL. However, there will be involuntary resettlement impacts.

18. Table 3 presents the land requirement details for each component of the Thimphu subproject. All the land on which the civil works are proposed is owned by NHDCL.

Table 3: Land requirement for proposed housing project at Semtokha, Thimphu

S. No	Description	Location	Required Area in m ²	Total Land Area Available (in m ²)	Ownership/ Possession
Residential buildings & Service Centre Block					
1.	Residential buildings (Category III)	NHDCL housing area, Semtokha. Thimphu	875.60	875.60	NHDCL
2.	Residential buildings (Category IV)	NHDCL housing area, Semtokha. Thimphu	359.97	359.97	NHDCL
3.	1 BHK	NHDCL housing area, Semtokha. Thimphu	665.88	665.88	NHDCL
4.	Service Centre Block	NHDCL housing area, Semtokha. Thimphu	194.025	194.025	NHDCL
Internal roads, pedestrian foot path and parking					
1.	Approach and internal roads	NHDCL housing area, Semtokha. Thimphu	490	490	NHDCL
2.	Pedestrian footpath)	NHDCL housing area, Semtokha. Thimphu	495	495	NHDCL
3.	Parking	NHDCL housing area, Semtokha. Thimphu	993.38	993.38	NHDCL
Drinking water storage tank and rainwater harvesting tank					
1.	Drinking water storage tank	NHDCL housing area, Semtokha. Thimphu			NHDCL

S. No	Description	Location	Required Area in m ²	Total Land Area Available (in m ²)	Ownership/Possession
2	Rain-water harvesting tank	NHDCL housing area, Semtokha. Thimphu	12.56		NHDCL
Substation					
1.	Substation		49	49	NHDCL

Source: NHDCL, 2021

Note: The total government land available for all proposed subproject components in Thimphu is 1.89 acres (approximately 7650 square meters), which is adequate to accommodate all components.

19. Table 4 below presents the ownership status of land and the assessed involuntary resettlement impacts of the subproject components.

Table 4: Subproject components and their Involuntary Resettlement Impacts

No.	Name of the Components	Permanent Impact on Land Acquisition and Resettlement	Temporary Impact	Remarks
Residential Buildings				
1.	Construction of 2 category III, 3 category IV and 3 1-BHK four-storied residential buildings at Semtokha, Thimphu within the plot allotted by the Government for developing the housing sub-project and Service Centre Block.	No land acquisition required since plot owned by NHDCL. Current tenants will have to relocate so involuntary resettlement is necessary. As per Census survey, 20 families of government employees consisting of 78 members faced relocation impact. Of these, 5 families (22 members) willingly shifted to available, alternate government housing. The impact on the housing structures (government owned), sheds and garages (constructed by government or by government employees) and fruit trees (planted by government employees) which	None	All the buildings will be constructed on government land allotted to NHDCL to develop the housing facilities at Semtokha, Thimphu. Currently there are 4 cottages, 2 double-storied buildings, 2 temporary residential structures, 5 sheds, a seven-unit toilet complex, 3 garages and 11 trees which will be removed causing physical displacement of government employees and their families currently residing in these housing units. Land details with photographs are presented in Appendix 1. Removal of the structures will cause physical displacement. In sum, a total of 16 households (61 members) are assessed as affected. Of these, 15 households of government employees (56 members) face relocation from government housing and/or loss of minor structures/trees. 1 already relocated household of a

No.	Name of the Components	Permanent Impact on Land Acquisition and Resettlement	Temporary Impact	Remarks
		will be dismantled will be permanent and irreversible.		government employee (5 members) has pending compensation for minor structure and trees.
Internal roads, pedestrian foot path and parking				
2.	Construction of approach and internal roads at Semtokha, Thimphu within the plot allotted by the Government for developing the housing sub-project.	No land acquisition required since plot owned by NHDCL. Current tenants will have to relocate so involuntary resettlement is necessary.	None	All the buildings will be constructed on government land allotted to NHDCL to develop the housing facilities at Semtokha, Thimphu.
3.	Construction of pedestrian footpath at Semtokha, Thimphu within the plot allotted by the Government for developing the housing sub-project.	No land acquisition required since plot owned by NHDCL. Current tenants will have to relocate so involuntary resettlement is necessary.	None	All the buildings will be constructed on government land allotted to NHDCL to develop the housing facilities at Semtokha, Thimphu.
4.	Construction of parking at Semtokha, Thimphu within the plot allotted by the Government for developing the housing sub-project.	No land acquisition required since plot owned by NHDCL. Current tenants will have to relocate so involuntary resettlement is necessary.	None	All the buildings will be constructed on government land allotted to NHDCL to develop the housing facilities at Semtokha, Thimphu.
Drinking water storage tank and rainwater harvesting tank				
5.	Construction of 1400m dia drinking water storage tank at Semtokha, Thimphu within the plot allotted by the Government for developing the housing sub-project.	No land acquisition required since plot owned by NHDCL. Current tenants will have to relocate so involuntary resettlement is necessary.	None	All the buildings will be constructed on government land allotted to NHDCL to develop the housing facilities at Semtokha, Thimphu.
6.	Construction of rainwater harvesting tank of 1500 m dia at Semtokha, Thimphu within the plot allotted by the Government for developing the housing sub-project.	No land acquisition required since plot owned by NHDCL. Current tenants will have to relocate so involuntary resettlement is necessary.	None	All the buildings will be constructed on government land allotted to NHDCL to develop the housing facilities at Semtokha, Thimphu.

Source: Source: NHDCL, 2021.

20. Before handing over the site to contractors, the NHDCL will ensure that all affected persons have been paid full compensation and provided all assistances and adequate notice as

per the agreed entitlement matrix. An encumbrance free land will be handed over to the contractor.

21. To assess impacts, the National ADB Social Safeguards Expert visited the site with NHDCL and viewed the entire residential area to assess the boundaries. Following this, National ADB Social Safeguards Expert carried out a detailed on-site visit to assess the impacts on the government-owned residential buildings, structures (temporary) built by current tenants and the fruit trees that would be affected. An assets loss inventory was then compiled, and basic measurement and description of all structures undertaken and shared with NHDCL. The NHDCL in turn was requested to assist with the estimation of all affected civil structures. The exercise confirms that there will be permanent impacts by proposed subproject components. The affected persons are all legal occupants of government housing and even the low-income temporary staff of the NMC residing in temporary structures stay in houses the NMC had constructed for them. Since all staff are government salaried persons, they will not lose their primary livelihoods even after relocation.

22. The National ADB Social Safeguards Expert visited the relocation site at Wangchutaba identified for the support staff of the National Mushroom Centre who would be displaced. The site is free of any encumbrance since it is neither occupied by anyone nor are there any structures or crops grown on the plot. With some land development, the site can be made habitable. Road access is available proximate to the plot. Water and electricity supply points are also located nearby and can be easily tapped for the new housing units. While three sides of the plot where the low-income support staff of NMC will be relocated to is bounded by vacant government land, the adjacent plot to southern border is owned a private landowner. A fence has been erected by the private landowner already demarcating the respective plots of the landowner and NMC.

23. A government pig farm located nearby (outside the relocation site) on government land could pose risks of contagion. The NHDCL and NMC have been advised to approach the Department of Livestock (DOL) to relocate the piggery out of the present location before NMC's support staff can shift to the new site. The letter of NHDCL requesting NMC to process for removal of piggery is in Appendix 5. NHDCL has been requested to follow-up with NMC and the DOL's response to this letter. The Department of Livestock who manages the pig farm will shift the farm to land registered in their name at Yusipang located 13 km away from Thimphu where they already have a pig breeding center. Pictures of the relocation site are in Appendix 7. The letter of the NMC stating that there will be no claim for compensation by Department of Livestock for the structures built on NMC land is in Appendix 6. During consultations, it was confirmed that all existing employees of DOL would continue to work at the relocated piggery. NHDCL shall obtain a on objection from DOL regarding no claim for compensation for the structures and no retrenchment of current employees and append it to the updated resettlement plan.

24. After the field visits, all affected people were surveyed from 25 February 2021 (which also has been set as the survey cut-off date for this site) to determine the impact on affected people entailing inquiries on socio-economic conditions, losses and perceptions on relocation. The census revealed that 20 affected households with a population of 78 persons will be permanently affected. This group of affected households consist of eight households who are employed by the NMC as professional staff staying in NHDCL housing and 12 low-income staff also by NMC who reside in temporary houses constructed by NMC and are provided free housing. Besides, this group also includes the Department of Livestock (DOL) which is an institution of the Royal Government of Bhutan providing livestock development services in Bhutan. Photographs of area to be affected are in Appendix 7. Summary of socio-economic profile of permanently affected persons are attached in Appendix 4.

25. As of August 2021, NHDCL allotted government housing to five affected families of professional staff of NMC with a total 22 family members who were willing to relocate to available government housing. They have been accommodated at the government housing colony in Changjiji in Thimphu, in line with government relocation practices. Details of the persons allotted housing and apartments and date of allotment are presented below in Table 5 as well as a socio-economic profile of these households are in appendix 4.2. The number of affected families in Thimphu facing relocation is therefore reduced to 15 from 20 and affected persons from 78 persons to 56 persons. However, total number of affected households is 16 with 61 affected family members; one of the professional staff of NMC (5 members), who has been accommodated in alternate government housing colony will also lose fruit trees and minor structures constructed by themselves and will be compensated as per the entitlement matrix.

Table 5: Details of NMC professional staff allotted housing by NHDCL

No.	Name	CID No.	Apartment No. allotted	Date of Allotment
1	Dawa Zangmo (Mrs.)	11915001738	B-02 F-02	1 April 2021
2	Rinzin Wangmo (Mrs.)	10710001583	B-06 F-10	1 June 2021
3	Dawala (Mr.)	11608003792	B-06 F-11	1 June 2021
4	Sabitra Pradhan (Mrs.)	11803001200	B-34 F-05	1 June 2021
5	Rita Gurung (Mrs.)	1308001010	IIIA - 10e	1 August 2021

26. With this allotment of housing by NHDCL completed successfully, 15 affected families are remaining to be relocated, of which seven are families of professional staff of NMC and eight are low-income staff of NMC and their families. Altogether, there are 56 affected persons.

27. The date of start of census survey, which is 25 February 2021 is the cut-off date. Table 6 describes the number of affected households by type of impact.

Table 6: Summary of Involuntary Resettlement Impact

Sl. No.	Details	No. Affected HH	Remarks
1.	Permanent land acquisition	Nil	Not required.
2.	Permanent relocation impact	15 (56 APs) ⁶	The four residential cottages, two double-storied residential buildings owned by NHDCL, the two temporary residential structures built by NMC for its low-income staff and five sheds, three garages, two house extensions constructed privately by staff and 14 fruit trees planted privately by staff will be removed before work can start. Of the initially impacted 20 households (78 affected persons), five NMC staff (22 affected persons) have been allotted residential facilities by NHDCL at the Changjiji housing colony as of August 2021. Thus, based on the present situation, 15 households (56 affected persons) of

⁶ All affected persons are government employees who are living in government-provided housing.

Sl. No.	Details	No. Affected HH	Remarks
			government employees will face relocation impact due to loss of residential facilities they currently occupy.
3.	Permanent and significant livelihood impact (land owners)	Nil	Not anticipated
4.	Loss of tree crops	5 HH (23 APs)	14 fruit trees will be removed. Of these, two are apple, one prune, three peach, three apricot, one cherry and one pear and three grapefruit. Out of these 5 affected households, four are included in the 15 households (row # 2 of this table) who will experience relocation impact while 1 household has been allocated government housing by NHDCL and is yet to be compensated for the loss of trees. (One of the households will face loss of minor structure as well.)
5.	Permanent partial loss of livelihood	1 HH (5 APs)	A carpenter currently works out of a shed. He and his wife work at the National Mushroom Centre. The affected household is also included in the 15 households (row # 2 above) who will experience relocation impact. Loss of a minor structure (shed) to the household is also assessed.
6.	Loss of minor structures	6 HH (26 APs)	Five sheds, three garages, two house extensions constructed privately by staff will be affected. Five of the households (21 APs) facing loss of structures are counted among the 15 HHs facing physical displacement (row # 2), and 1 HH (5 APs) has been allocated government housing elsewhere but remains to be compensated for minor structures/extensions.
7.	Potential temporary income loss to employees ⁷ of affected shops/businesses	None	Not anticipated based on census survey.
8.	Number of vulnerable ⁸ affected persons	None	Of the affected persons, none are assessed to fall under vulnerable

⁷ No such impact has been identified at this stage. Project impact, if any, to employees of affected business will be re-assessed during the DMS.

⁸ According to the Bhutan Vulnerability Baseline Assessment – 2016 report by Gross National Happiness Commission Secretariat, RGOB and UNDP, the following are identified as vulnerable groups: (i) people who beg, (ii) children in conflict with law (CICL), (iii) elderly in need of support, (iv) female workers working at *Drayang*s, (v) persons practicing risky sexual behaviour, (vi) persons using drugs and alcohol, (vii) persons with disability, (viii) orphans, (ix) out of school children, (x) people living with HIV/AIDS (PLHIV), (xi) single parents and their children, (xii) unemployed youth, (xiii) victims of domestic violence, and (xiv) vulnerable urban dwellers. <https://www.gnhc.gov.bt/en/wp-content/uploads/2017/11/UNDP-Book-for-Website.pdf>

Sl. No.	Details	No. Affected HH	Remarks
			category.
9.	Affected Indigenous People	None	No indigenous peoples' groups or communities are present in project areas.

Source: Field visit, socio-economic survey and income and assets loss survey 2021, subproject area-Thimphu

B. Indigenous People

28. **Indigenous People:** The field visits and consultations undertaken reveals that there are no indigenous people living at the housing site. Consequently, no impacts to indigenous peoples are anticipated under the subproject in Thimphu. None of the potentially affected persons identified during the field visit and socio-economic survey, belong to indigenous people's groups. As per ADB SPS, indigenous peoples' safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of indigenous peoples or affects the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as their ancestral domain. No such impacts are anticipated in Thimphu.⁹ In view of the above, no Indigenous Peoples Plan is required for this subproject.

III. SOCIO-ECONOMIC INFORMATION AND PROFILE

29. The following sections present socio-economic profile of the households likely to be affected by the proposed works. Findings presented here are based on information collected from 20 affected persons identified on site in the housing area who would have to permanently relocate. Of this, five households have been allotted alternate housing in government housing at Changjiji. The survey provides information on the socio-economic conditions of affected households. A wide range of data including, social category, type of losses, type of occupation, sources of income and vulnerability have been collected and analyzed. None of the affected families and members of families belong to vulnerable category.¹⁰

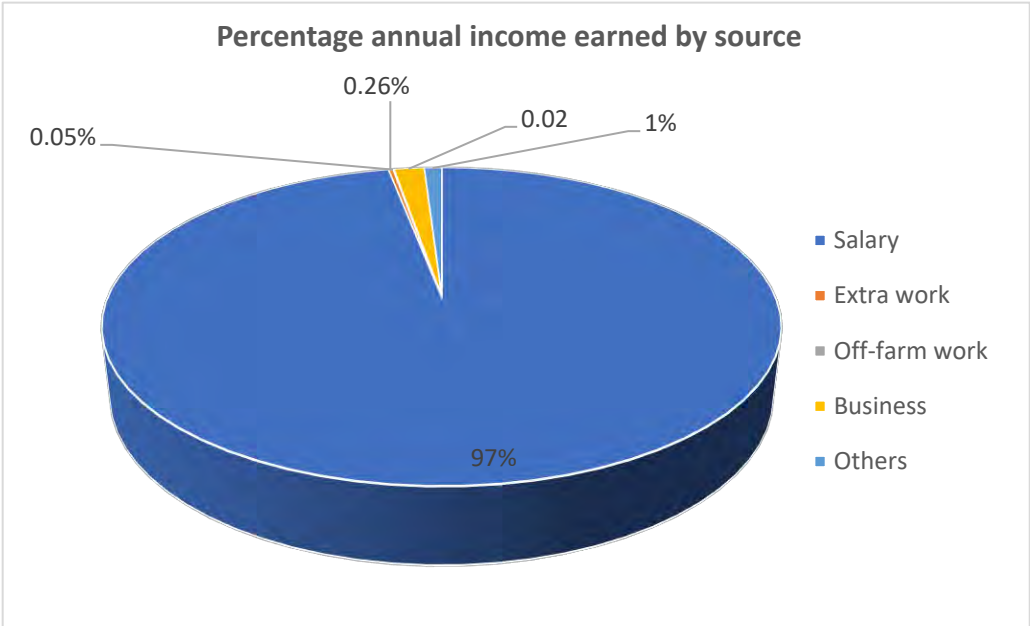
30. **Occupation Profile:** Based on socio-economic information collected during the survey, it is determined that all respondents are civil servants. Of the 20 respondents (affected families), while 12 persons are regular employees of the National Mushroom Centre serving as professionals or support staff, eight persons are Elementary Service Personnel (ESP) staff who are staff engaged by the NMC as farm labour to assist with the manual tasks involved in preparing mushroom, spawn, watering and harvesting mushroom carried out in the trial sheds within the colony. Of the total initially affected 20 households with 78 persons within the households, there are 36 males (46%) and 42 females (54%) with mean age being 30 years. Twenty-two persons (28%) are aged 18 years and below. Five persons are 65 years and above. The average family size is four members. In terms of education profile, 20% are non-literate persons while 36% have studied till secondary school and 19% are graduates. None of the households surveyed have any disabled members.

⁹ ADB SPS 2009 uses the term indigenous peoples in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats or territories; (iii) customary cultural, economic, social or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region.

¹⁰ Vulnerable households comprise below poverty line households, female-headed households, households with out of school/working children, disabled person-headed household, elderly-headed household or elder, landless household, household with no legal title / tenure security, and schedule castes and scheduled tribe households.

31. **Income Profile:** As the chart shows, 97% of the income earned by people is from salaries suggesting that almost all persons interviewed are salaried staff working for the National Mushroom Centre of the Ministry of Agriculture. Other sources of income are business, from performing extra work outside their regular job and off-farm work. While the average annual salary income earned is Nu. 302,442 per year, the highest annual salary income ever earned within the affected persons group is Nu. 720,000 per year and the least is Nu. 138,960 per year. All families earn income more than Nu. 2,195.95 per person per month which is the official poverty line.¹¹

Figure 1: Percentage of income earned by respondents by source



Source: Socio-economic survey of affected persons
Source: Socio-economic survey of affected households, 2021

32. The summary of impact by category and number of affected persons by each type of impact in table 7 shows that there is no land loss since all the land required for the construction is owned by NHDCL and has the land registered in its name. However, 15 families with 56 household members in total will have to relocate since the dwellings they are living in, which are either owned by the NHDCL or the NMC, will be dismantled to construct the housing colony in its place. Only one person will lose a commercial shed from which her husband carries out carpentry and earns a secondary income. Also, six households will lose structures they have constructed themselves namely temporary storage sheds, and garages and five households will lose a total of 14 fruit trees. None of the households surveyed are vulnerable.

¹¹ Poverty Analysis Report, 2017, National Statistical Bureau, RGOB

Table 7: Summary Profile of Affected Persons Yet to be Compensated[#]

Impact	Number of affected persons / Quantity
1. Loss of land	
Permanent land acquisition	0
Temporary land acquisition	0
2. Loss of residential structures/commercial	
Residential (government housing)	15 HH (56 APs) – loss of government housing leading to relocation
Commercial (private shed)	1 (carpenter) – the same HH is counted among those facing loss of government housing and loss of livelihood as well.
Other structures (sheds, garages)	5
3. Loss of fruit trees (privately owned trees on government land)	5 HH (23 APs)
4. Loss of livelihood	
Permanent	1 HH (5 APs)
5. Physical displacement	
Need to relocate due to dismantling of government housing	15 HH (56 persons)
6. Temporary Impact	
Temporary loss of land	0
Temporary loss of access/disruption to livelihood	0
7. Vulnerable affected persons *	
Female Headed Households	0
Indigenous people	0
Persons with disability	0
BPL ¹²	0

Source: Socio-economic survey and Assets Loss Inventory, Field visits technical documents and analysis, 2021

*Note: Among the affected persons, none were identified as vulnerable. The above table provides a break-up of the affected persons categories.

The Census Survey identified relocation impacts to 20 government employees and their family members, of whom 5 government employees and their 22 family members who were willing to relocate immediately have been provided alternate government housing. Of the 5 relocated households, one remains to be compensated for trees and a minor structure. All 5 households willingly relocated to available alternate government housing, hence no involuntary resettlement was involved. The details in the above table pertain to the 15 households yet to be relocated (and compensated) and 1 household that is relocated but yet to be compensated for loss of trees and minor structures.

** The assets inventory survey revealed that five households will lose trees (as also reflected in Appendix 5).

IV. CONSULTATION, PARTICIPATION AND DISCLOSURE

A. Public Consultation

33. During the process of preparation of the draft resettlement plan, meaningful consultations¹³ with stakeholders were also conducted. The key stakeholders consulted during

¹² The recent Poverty Analysis Report, 2017 establishes the poverty line at Nu. 2,195/person per month.

¹³ ADB SPS requires meaningful consultation to be a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis throughout the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, the sharing of development benefits and opportunities, and implementation issues. These requirements were ensured during the meetings and consultations.

resettlement plan preparation include (i) affected persons; (ii) program beneficiaries; (v) local government and relevant government agency representatives. Consultations have been undertaken with strict adherence to the COVID-19 safety protocols.¹⁴ Meetings and individual interviews were held in public open spaces involving stakeholders particularly affected persons. The social safeguards expert conducted site visits and a census of affected persons and their properties through interviews to determine the impacts of the subproject. During meetings, stakeholders were briefed about the technical details of project, the housing floor plans and the project implementation cycle, environmental and social safeguards. Consultations covered issues such as awareness and scope of the subproject components and benefits of project. The Grievance Redressal Mechanism was not discussed at these consultations as it was felt too early in the project to institute this. Moreover, all affected people will have to relocate and will therefore not be at site. The low-income staff of NMC who will have to relocate to Wangchutaba are aware and have been consulted at the relocation site and have voiced their views about the piggery. Meaningful consultations will be carried out before project implementations and will continue throughout the project implementation. Social distancing, wearing of face masks and hand washing will be mandatory for all attendees including staff and experts conducting the consultations. Carrying out virtual consultations for low-income stakeholders may pose some difficulty as many do not have smartphone devices. In this case, one-to-one consultations including small group discussions and/or via telephonic interviews will be conducted. Details of several consultations held are attached in Appendix 8.

B. Information Disclosure

34. This draft and the final resettlement plan will be uploaded on the web sites of ADB and NHDCL. Prior to implementation of the subproject, the draft resettlement plan will be updated based on final design. The final and ADB approved resettlement plan will be disclosed on ADB and NHDCL websites. The documents will also be available in the municipality offices of Thimphu, Phuentsholing, Samdrup Jongkhar, Nganglam and Trashiyangtse. During the subproject implementation, all neighboring residents and institutions will be informed about construction schedules prior to commencement of work. Also, signboards will be erected at the entrance of the plot. The signboards will be in English and the local language and will include at minimum: (i) section to be affected, (ii) start and end dates, (iii) information on traffic rerouting if any, and (iv) contact information for questions / grievances.

35. During subsequent revision of the resettlement plan which may entail additional surveys and consultations for which the affected persons and other stakeholders may need to be informed, the PIU/PMU will be responsible for issuing various required public notices. For temporary impacts, the start date of census surveys (25 February 2021) will be considered as cut-off date communicated to affected persons through implementation of community awareness and public participation (CAPP) plan, in the affected area at the start of the census survey and also by display boards at places visible and accessible to public. Similarly, a list of affected persons will be published and retained in the site offices of the contractor and the PIU as well as local government (Refer to Appendix 10 for Outline of Project Information Disclosure Leaflet).

C. Continued Consultation and Participation

¹⁴ The project will follow the guidance and protocols of Royal Government of Bhutan (<http://www.moh.gov.bt/covid-19-strategies-protocols-and-guidance/>) and ADB (<https://www.adb.org/documents/series/covid-19-asia-pacific-guidance-notes>). ADB has shared the guidance notes with its executing and implementing agencies in the DMCs, including the executing and implementing agencies for GRAHSP.

36. The PMU will extend and expand the consultation and disclosure process during the construction period. The project management consultants will conduct training of contractors (engineers as well as safeguards personnel). The PMU, with the support of the social development and safeguards consultant hired through the project will design public awareness campaign during project implementation and with the support of the PIUs at field level conduct the campaign. The Social Safeguards Consultant will prepare and implement community awareness activities. Community groups will be consulted and made aware of the civil works and project activities, anticipated impacts and mitigation measures, grievance redress process and contact details of PIU/ PMU personnel prior to construction.

V. GRIEVANCE REDRESS MECHANISM

A. Common Grievance Redress Mechanism

37. The project will adopt a three-tier Grievance Redress Mechanism (GRM) in implementing the project. The GRM will receive, evaluate, and facilitate the resolution of social, environmental or any other project related grievances. The GRM will aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the project. The GRM described below has been developed in consultation with stakeholders. Public awareness campaign will be conducted to ensure that awareness on the project and its grievance redress procedures is generated and shared with affected persons and other stakeholders. The campaign will ensure that the poor, vulnerable and others are made aware of the need for and process in availing the GRM.

38. The GRM provides an accessible, inclusive, gender-sensitive and culturally appropriate platform for receiving and facilitating resolution of affected persons' grievances related to the project. A sample grievance redress form is in Appendix 11. The three-tier GRM for the project is outlined below, each tier having time-bound schedules and with responsible persons identified to facilitate and address grievances at each stage, as required. Public awareness campaigns will ensure that awareness on grievance redress procedures is generated through the campaign. The Environmental and Social Safeguard Officer of PMU will have the overall responsibility for timely grievance redress on environmental and social safeguards issues.

39. **Who can file a complaint:** A complaint may be registered by stakeholders who may be, directly or indirectly affected by the project. A representative can register a complaint on behalf of the affected person or group, provided that the representative is identified by the affected person or group and submits evidence of the authority to act on their behalf.

40. **What type of grievance/complaint:** Any comments, complaints, queries and suggestions pertaining to safeguard compliance - environment, involuntary resettlement, and indigenous people, design related issues, compensation, service delivery or any other issues or concerns related to the project can be registered. The complaint must indicate the name, date, address/contact details of the complainant, location of the problem area, along with the problem.

41. **Where and how to file a complaint:** The contractor's site office will be the primary point for receiving and lodging any complaint. Apart from that, grievances/suggestions/queries from affected persons can be dropped into suggestion boxes or conveyed through phone or e-mails. Affected persons or any complainant will also be able to register grievances on social, environmental or other related issues, personally to the Complaint Cell at PIU level.

42. **Process and Timeframe:** The grievance redress process and timeframe involved in the GRM is described below:

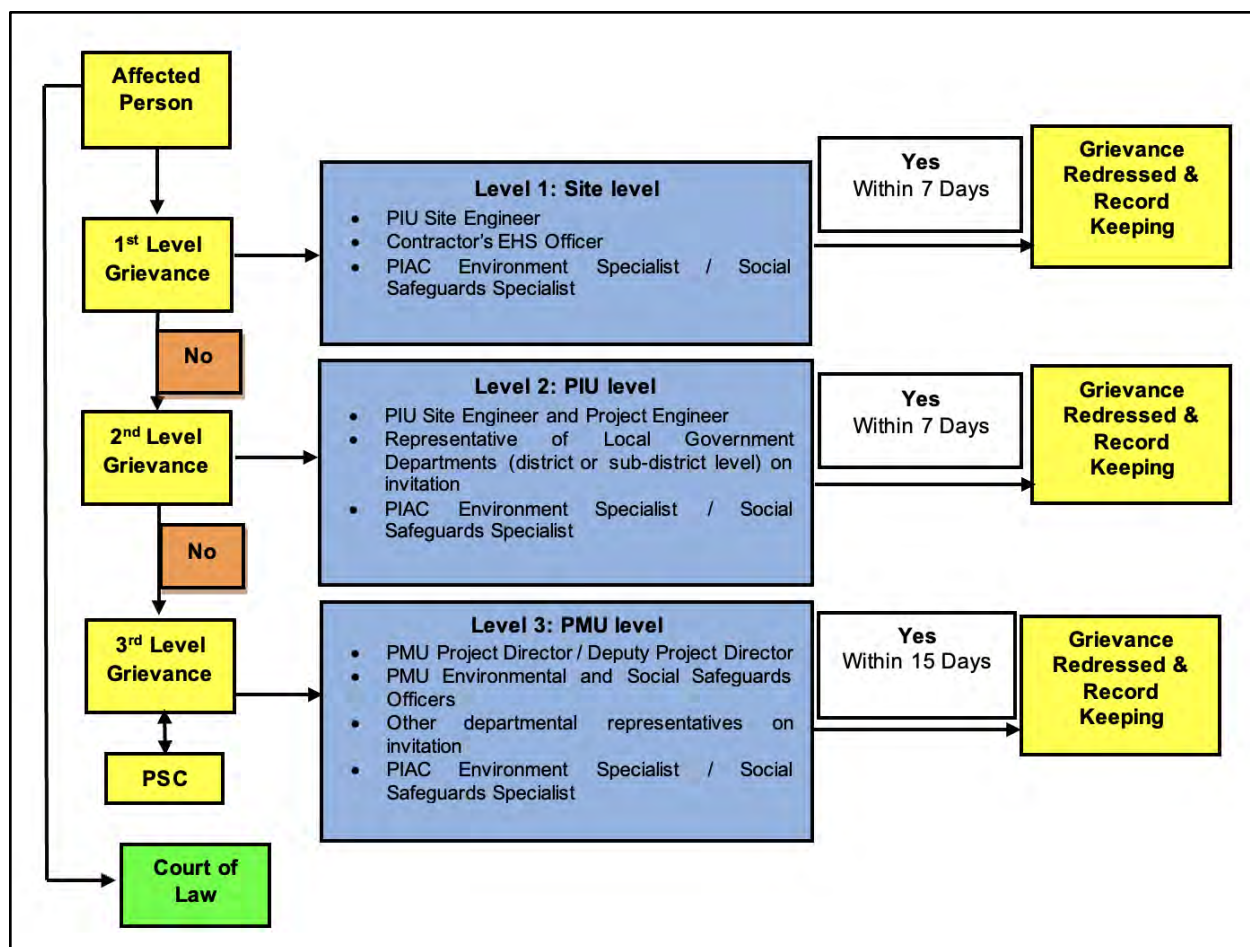
- (i) **1st Level Grievance (Field Level).** The PIU's site engineer and contractor's EHS supervisor are likely to be the first points of contact for complaint registration. In case of grievances that are immediate and urgent in the perception of the complainant, concerned officer of PIU will direct the contractor to resolve the complaint and ensure that it is resolved. If the grievance is not under the contractor's scope, the Project Implementation Assistance Consultant (PIAC) will resolve this issue with the support of respective PIU. Efforts will be made to resolve all grievances within seven days from the date of receipt of a complaint / grievance. Relevant government representatives from the respective districts and sub-districts, where the subproject will be implemented, can be consulted as and when required.
- (ii) **2nd Level Grievance (PIU).** Grievances that cannot be redressed at first level within seven days will be brought to the notice of the Complaint Cell at PIU level. The Project Engineer will try to resolve the grievance/ complaint within a timeframe of seven days of receiving the complaint from the first level. The PIU may consult/seek the assistance of the Environment and Social Safeguard Officers at the PMU level. Government representatives from the respective districts and sub-districts where the subproject will be implemented can be consulted as and when required. Any unresolved complaint at the second level will be taken up to the third level.
- (iii) **3rd Level Grievance (PMU).** All the grievances that are not addressed at 2nd level by PIU will be brought to the third level. The third level will meet once a month and determine the merit of each grievance/s brought to the committee. The third level grievance redress committee will resolve the grievance within fifteen days of receiving the complaint from the second level. The Environmental Safeguards Officer or Social Safeguards Officer, PMU will provide feedback to the complainant. Any critical or unresolved matter may be taken to the Project Steering Committee (PSC) for solution.

43. MOF will chair the PSC which will comprise government officials from the Ministry of Works and Human Settlement (MOWHS), National Land Commission (NLC), the Gross Happiness Commission (GHNC), the National Commission for Women and Children (NCWC), the NHDCL, and representatives of selected subproject districts. The PSC will be established to oversee the project implementation and provide strategic and policy guidance and will meet at least biannually and as required.

44. The GRM notwithstanding, an aggrieved person shall have access to the country's legal system at any stage, such as Thromde or court of law in the respective district. This can run parallel to accessing the GRM and is not dependent on the negative outcome of the GRM.

45. The process of the project GRM is given in Figure 2.

Figure 2: Grievance Redressal Mechanism



EHS = environmental health and safety, NHDCL=National Housing Development Corporation Limited, PIAC = project implementation assistance consultant, PIU= project implementation unit, PMU =project management unit, PSC= project steering committee

46. The timeframes within which to resolve the issues may be adjusted accordingly during extraordinary circumstances, such as lockdowns or travel restrictions imposed by local or national governments due to the ongoing COVID-19 pandemic. The adjustment will depend on the period of interruption during these events and will be decided upon by the PMU.

47. **Information Dissemination Methods about GRM.** Periodic community meetings will be held by PIUs, and PIAC with affected communities to understand their concerns and help them through the process of grievance redress (including translation from local dialect/language, recording, and registering grievances of non-literate affected persons and explaining the process of grievance redress) if required. The above Grievance Redress Process will be discussed with the different stakeholders during stakeholder consultation meetings. These meetings will be held with affected persons and community members (beneficiaries) and the concerned local government representatives where civil works are proposed. The process and timelines for grievance redress and contact details of the persons responsible for grievance redress will be shared in the stakeholder meetings. Action taken in respect of all complaints will be communicated to the complainant by letter, over phone or e-mail or text messaging.

48. **Consultation Arrangements for GRM.** This will include group meetings and discussions with affected persons, to be announced in advance and conducted at the time of day agreed on

with affected persons and conducted to address general/common grievances; and if required with the Environment/Social Specialist of PMU/PIU for one-on-one consultations. Non-literate affected persons/vulnerable affected persons will be assisted to understand the grievance redress process, at the site office of the contractor and at PIU level, the official appointed to receive grievances will assist the non-literate affected persons to register complaints and follow-up with actions at different stages in the process.

49. **Record Keeping.** Records of all grievances received, including contact details of complainant, date of receiving complaint/grievance, nature of grievance, agreed actions and measures, the date these were affected, and outcome will be kept by PIU. The number of grievances recorded and resolved, and the outcomes will be displayed/disclosed in the PIU office, and on the website of PMU, as well as reported in the semiannual social and environmental monitoring reports to be submitted to ADB. The Environmental Officer and the Social Safeguard Officer will be responsible for maintaining the grievance record.

50. **Periodic Review and Documentation of Lessons Learned.** The PMU, and PIUs, supported by the PIAC specialist will periodically review the functioning of the GRM and record information on the effectiveness of the mechanism, especially on the PIU's ability to prevent and address grievances.

51. **Costs.** All costs involved in resolving the complaints (meetings, consultations, communication, and reporting/information dissemination) will be borne by the PMU. Cost estimates for grievance redress are included in resettlement cost estimates.

52. **ADB Accountability Mechanism.** If the established GRM is not able to resolve the issue, the affected person can use the ADB Accountability Mechanism through directly contacting (in writing) the Complaint Receiving Officer (CRO) at ADB headquarters. Before submitting a complaint to the Accountability Mechanism, it is recommended that affected people make effort in good faith effort to resolve their problems by working with the concerned ADB operations department (in this case, the Bhutan Resident Mission (BHRM)). Only after doing that, and if they are still dissatisfied, they could approach the Accountability Mechanism. The ADB Accountability Mechanism information will be included in the project-relevant information to be distributed to the affected communities, as part of the project GRM.

VI. POLICY AND LEGAL FRAMEWORK

53. The policy framework and entitlements for the BAHP are based on:

1. Land Act 2007

- (i) The government is empowered to acquire registered land for public interest, with the owner provided with substitute land or cash payment or both as compensation. The landowner has the option to choose land or cash compensation in the rural areas. In case of the land acquired in Thromde, the landowner shall be provided cash compensation. If the land to be acquired is the only plot owned by the landowner in the Thromde, the Government shall consider a substitute land in the same Thromde. Immovable property attached to the land acquired land will also be compensated. Upon acquisition, if the remaining land parcel is less than 10 decimals, such land both in Thromde and rural areas shall also be acquired (Section 142 to 144, 147 to 150)

- (ii) Landowners in the thromdes will receive cash compensation calculated by the Property Assessment and Valuation Agency (PAVA), created by the act under the Ministry of Finance, for any land and property acquired. PAVA shall revise the compensation rate every 3 years. The government may provide substitute land if the plot acquired is the only land of the landowner. (Section 151 to 154)
- (iii) The land under acquisition shall be taken over only after registering the substitute land in the name of the affected landowner or the cash compensation has been made to the landowner. (Section 158)
- (iv) The landowners have the right to contest the area of the land determined by the Investigation Committee on the cadastral records. They shall file an objection to the Investigation Committee within a period of 30 days of distribution of the report. Under such circumstances the Investigation Committee may carry further investigations and shall submit its final report within next 30 days after submission of any objection. (Section 49)
- (v) Any government institutions may acquire registered private lands for public purpose. As required, the government agency applying for land acquisition must submit the application to the NLC for approval. If approved, the Dzongkhag Land Acquisition Committees (DLAC) shall serve notices to the landowners at least 3 months prior to acquisition. The DLAC shall look for substitute land and process for forestry and environmental clearance. The compensation and valuation estimate for crops, land, fruit trees, and structures must be processed accordingly. The DLAC shall prepare a detailed report and submit it to NLC within 1 month. Land shall be acquired only after the substitute land has been registered and the acquiring government agency has fully paid the cash compensation to the landowners. (Section 196 to 202)

2. The Thromde Act 2007

- (i) The Thromde Act of 2007 includes the provision for land pooling guided by land development in carrying out planned development in line with the government goal of ensuring the timely and sustainable provision of urban services. Also defined in the act is the mechanism for land registration, prohibition of land transactions, and land use conversions in areas subject to land pooling.

3. Land Pooling and Readjustment Regulation 2018 (LPRR 2018)

- (i) Declaration of Land Pooling Area. The local government may declare the land pooling area and shall issue a public notice if: a) it has considered any submission received on or before the closing date for submissions; b) it has received written notification of support from the owners of two-thirds of the plots in the area on or before the closing date for submissions; and c) it has consulted with the Ministry in relation to the proposal. (Section 18 to 20)
- (ii) Negotiation and Acquisition of Land from Non-consenting Owners. After the declaration of a land pooling area the local government shall continue to seek the support of land owners who have not notified their support. In the event that a land owner fails to give support to the implementation of a land pooling scheme the local government shall acquire the plot in accordance with the Land Act 2007. (Section 21, 22)

- (iii) Contribution Ratio Limit. a local government shall configure plots and other land in a land pooling area so that contribution ratio does not exceed 30 percent. A local government may implement a land pooling scheme which has a contribution ratio exceeding 30% if: the topography or other characteristics of the area otherwise make it inappropriate to obtain an adequate area of land; or additional contribution, over the limit, is required to create reserve plots. (Section 65, 66)
- (iv) Replacement Plot. The LPRR 2018 outlines that consultation with the owner of the plot should take place, and where practicable the views of the owner should be accommodated; and the replacement plot should have similar characteristics and be of similar value (taking into account the contribution ratio); however, the land that has been acquired under section 43 of the LPRR 2018, forms part of the pool of land does not create an entitlement to a replacement plot. (Section 64)
- (v) The local government may allocate a plot to an owner which is not in the same location as the original plot. (Section 67)
- (vi) Plot Size. If a plot after reduction in accordance with the indicative contribution ratio would be smaller than the minimum permitted size under an applicable spatial plan, the local government may: a) consolidate the plot with other small plots, and allow joint ownership to create a standard size plot; or b) sell residual land or a reserve plot (or part of it) to the owner of the plot, to be consolidated with the plot; or c) retain the calculated plot size with appropriate development regulations. (Section 68)
- (vii) Public Consultation. Public consultation and disclosure are integral part of the LPRR 2018 and has been clearly outlined in the regulations (Sections 69 to 71). The local government, in consultation with the Consultative Committee, will organize at least two pre-informed (not less than 14 days) public consultation meetings in the land pooling area in relation to a draft land pooling plan where presentation on the draft land pooling plan will be made and opportunity will be given to the people, attending meeting, to ask questions and make comments. (Section 72 to 74)
- (viii) Compensation. The local government shall pay compensation for immovable property and objects (including cash crops) which are acquired for the implementation of a land pooling scheme. (Section 84)

54. The key involuntary resettlement principles of the ADB Safeguards Policy Statement (2009) are:

- (i) Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks;
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate

resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase;

- (iii) Improve, or at least restore, the livelihoods of all displaced persons through (a) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (b) prompt replacement of assets with access to assets of equal or higher value, (c) prompt compensation at full replacement cost for assets that cannot be restored, and (d) additional revenues and services through benefit sharing schemes where possible;
- (iv) Provide physically and economically displaced persons with needed assistance, including the following: (a) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) civic infrastructure and community services, as required;
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing;
- (vi) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status;
- (vii) Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets;
- (viii) Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule;
- (ix) Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders;
- (x) Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation;
- (xi) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation; and

- (xii) Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

B. Comparison between the Land Act of Bhutan 2007, Land Pooling and Readjustment Regulation 2018, and ADB SPS, 2009

55. The resettlement plan is guided by applicable national laws, regulations and the ADB SPS 2009. The Land Pooling Rules & Regulations (LPRR 2018) and the Land Act of Bhutan 2007 clearly delineate the operationalized administrative processes at local level. The Land Act of Bhutan 2007 manages, regulates and administers the ownership and use of land for socioeconomic development and environmental well-being of the country through efficient and effective land administration, security of land tenure, equal opportunity to land, facilitation of operation of land market, effective use of land resources and conservation of the ecosystem. The LPRR 2018 outlines feasibility study, pre-informed public consultations, disclosure meetings, land for land options for land pooling.

56. ADB SPS emphasizes avoidance of involuntary resettlement wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups. The SPS also recognizes both titleholders and non-titleholders are considered as project affected persons.

57. A comparison of the key requirements and suggestions on addressal of gaps during program implementation through targeted involuntary resettlement principle for the project is proposed. Table 8 below summarizes the gaps between the National Legislation and ADB Safeguard Policies and the measures to bridge the gaps.

Table 8: Comparison between the National Laws and ADB SPS, 2009

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
Involuntary Resettlement	Involuntary Resettlement (IR) should be avoided or minimized as much as possible. Design alternatives to be explore to minimize IR impacts.	Involuntary resettlement impact avoidance is not specified in the Act.	Involuntary resettlement impact avoidance is not specified in the regulations.	Designs should be optimized to the extent possible to minimize involuntary resettlement impacts by the project authorities.
Census and Social Impact Assessment of APs/DPs for RAP	Client/ borrower will conduct socio- economic surveys and census of all identified who will be affected/ displaced by the project along with inventory of losses.	The Act does not mention about the socio-economic surveys; however, the acquisition process does prepare a list of land owners who will be impacted.	The local government undertakes a feasibility study if it finds that the land is suitable for land pooling. The study includes information on plot size, household survey, preliminary cost estimate of the scheme. (<i>Section 7 to 12</i>)	Census (should be conducted following the detail measurement survey) and detailed socio-economic survey of all affected/ displaced persons will be conducted along with an inventory of losses. Resettlement Plan (RP) will be based on this data.
Eligibility of APs/DPs	Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.	The Act refers to the land owners (title holders) only.	The regulations refer to the land owners (title holders) only.	The resettlement framework recognizes all the following affected persons (i) land owners; or (ii) their legal successors in their absence/demise; or (iii) individuals to whom the AP has sold the acquired land parcel and (iv) the land users or non-titleholders
Valuation of Land	Valuation of land and assets are to be at replacement cost, as determined by the market rate + all transaction cost.	It is not specifically mentioned in the Act. It is mentioned that PAVA shall fix the value of land considering land category, its current use, location in relation to accessibility to	The LPRR has provisions for replacement plots of similar characteristic as like the original plot. (<i>Section 64</i>)	Replacement costs will be independently assessed. If the Cash Compensation as per the Land Compensation Rate - 2017 matches the replacement cost, this compensation amount shall

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
		<p>vehicular road, immovable property, local market value, and other elements. PAVA shall also be responsible to fix the nondevelopment fiscal measures specified in Section 130 of this Act. Valuation of acquired land is calculated based on the <i>Compensation Rate – 2017</i>, Department of Macroeconomic Affairs Property Assessment and Valuation Agency, Ministry of Finance (Section 151 and 152)</p>		<p>be considered, and in case of gaps with government valuation is assessed, additional top up payments, preferably in kind will be provided to affected people so as to ensure replacement costs for their land and assets.</p>
Valuation of structure	Structural cost will be assessed at replacement cost of assets without taking into consideration any depreciation cost.	It is not mentioned in the Act.	Structural loss is not specified in the LPRR.	<p>Cost of impacted structures will be independently assessed at replacement value. If the Cash Compensation as per the Land Compensation Rate - 2017 matches the replacement cost, this compensation amount shall be considered, and in case of gaps with government valuation is assessed, additional top up payments, preferably in cash will be provided to affected people so as to ensure replacement costs for their lost structures and assets.</p>

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
Relocation	(i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.	<p>The location of substitute land to be allotted in rural areas shall be in the order of preference of same village, Gewog, and Dzongkhag. (<i>Section 155</i>)</p> <p>The landowner shall have no choice over the location of substitute land provided by the Government. (<i>Section 156</i>)</p> <p>The Act does not mention about transitional support.</p>	<p>After applying the principles set out in section 64, the local government may allocate a plot to an owner which is not in the same location as the original plot. (<i>Section 67</i>)</p> <p>The Regulations does not mention about the transitional support.</p>	Affected households (HHs) and businesses will receive relocation assistance for shifting as well as support by the appropriate government authority in identifying and negotiating an alternative place to stay/ resettlement site.
Economic Displacement	Compensation for loss of income and improve or at least restore the livelihoods of all displaced persons.	The Act has no reference to economic displacement or income loss.	The LPRR has no reference to economic displacement or income loss.	All economically affected people will be compensated for loss of income and supported to at least restore and preferably improve their livelihoods.
Cut-off-dates	The borrower/client will establish a cut-off date for eligibility.	It is not addressed under the Act.	It is not addressed under the LPRR.	The date of census/survey will be considered as the cut-off-date for identification of project affected persons and shall include both title holders and non-title holders.

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
Meaningful Consultations	Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs.	The Act does not mention about consultations with land owners.	The LPRR vividly mentions about Public Consultations. The local government, in consultation with the Consultative Committee, will organize at least two pre-informed (not less than 14 days) public consultation meetings in the land pooling area in relation to a draft land pooling plan. <i>(Section 72)</i>	Stakeholder consultations will be an integral part of the project; pre-informed stakeholder consultations will be conducted through entire project lifecycle with special focus during resettlement plan preparation and implementation. The consultations will be properly documented.
Grievance Redress Mechanism (GRM)	Establish a culturally appropriate and gender inclusive grievance mechanism to receive and facilitate resolution of the APs and Indigenous Peoples' concerns.	The land owners have the right to contest the area of the land determined by the Investigation Committee on the cadastral records, they shall file an objection to the Investigation Committee within a period of 30 days of distribution of the report. Under such circumstances the Investigation Committee may carry further investigations and shall submit its final report. <i>(Section 49)</i> However, these objections are not related to land acquisition or compensation issues.	A land owner who is dissatisfied with a decision of the local government under this Regulation may apply to the Review Board for review of that decision in writing within 21 working days after public notice is given under section 79. <i>(Section 87 to 92)</i>	A dedicated GRM shall be developed for by the project proponent for the project and information on the same should be disclosed with the affected persons and other stakeholders.

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
Information Disclosure	Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.	The Act describes about intimating the affected land owners through notices under different sections of Land Act.	The local government may declare the land pooling area and shall issue a public notice. (Section 18) During public consultation meetings presentation on the draft land pooling plan will be made and opportunity will be given to the people, attending meeting, to ask questions and make comments. (Section 74)	Resettlement plan along with the Entitlement Matrix (EM) will be disclosed locally, in local language and also on the website of project proponent.
Safeguarding needs of vulnerable groups ¹⁵	Particular attention should be paid to vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations.	The Act does not have any especial provision or assistance for vulnerable groups	LPRR does not have any especial provision or assistance for vulnerable groups	Special assistance measures for vulnerable groups will be provided and as per the entitlement matrix in this framework document.

¹⁵According to the Bhutan Vulnerability Baseline Assessment – 2016 report by Gross National Happiness Commission Secretariat, RGoB and UNDP, the following are identified as vulnerable groups: (i) people who beg, (ii) children in conflict with law (CICL), (iii) elderly in need of support, (iv) female workers working at *Drayangs*, (v) persons practicing risky sexual behaviour, (vi) persons using drugs and alcohol, (vii) persons with disability, (viii) orphans, (ix) out of school children, (x) people living with HIV/AIDS (PLHIV), (xi) single parents and their children, (xii) unemployed youth, (xiii) victims of domestic violence, and (xiv) vulnerable urban dwellers. <https://www.gnhc.gov.bt/en/wp-content/uploads/2017/11/UNDP-Book-for-Website.pdf>

VII. ENTITLEMENTS, ASSISTANCE AND BENEFITS

A. Types of Losses and Affected Person Category

58. The anticipated types of losses due to the proposed sub-project components under BAHP comprise: (i) relocation and involuntary resettlement due to acquisition of residential structures and land for the housing project in which the affected people reside and pay rent and (ii) economic displacement due to acquisition of loss of private sheds used as storerooms, mushroom production sheds, garages and a carpentry workspace and fruit trees (ii) impacts to vulnerable persons (from amongst the affected persons).

59. According to ADB SPS 2009, in the context of involuntary resettlement in relation to involuntary acquisition of land and the residential existing on the plot therein; with reference to permanent physical displacement arising out of the residential area being developed into a better housing colony causing the current residents to relocate and their loss of properties like privately built sheds, garages and privately grown fruit which all have to be removed. Also, in the context of economic impacts, affected persons are those who are economically displaced (loss of productive land, structures, assets, access to assets, income sources, or means of livelihood). Absence of formal and legal title to the land does not bar the affected person from receipt of compensation and resettlement assistance from the project. Vulnerable affected persons are eligible for additional compensation and assistance and are to be accorded priority in employment in project related construction activities.

B. Entitlements

60. As per agreed resettlement framework, all the affected persons will be eligible for compensation for various categories of loss as below:

61. All households – 15 households with a total population of 56 persons will be relocated. The current residential buildings (four cottages and two double-storey buildings) they currently reside in (built in the 1960s) will be dismantled along with two blocks of temporary residential structures inhabited by eight families built by the National Mushroom Centre for farm labour which will be removed as well. Of the 15 affected households, while seven households headed by NMC professional-level staff will relocate by themselves to alternate housing they themselves will arrange for, eight households who are mainly families of low-income staff of NMC will be relocated to alternate temporary dwellings located at Wangchutaba in Thimphu to be developed by the NMC with NHDCL's assistance.

62. The sheds, garages privately built by residents and fruit trees planted and cared for by residents which will be removed as well for which the residents will be compensated. Unavoidable livelihood disruption for one person who carries out carpentry work in addition to his job at the National Mushroom Centre out of a shed he built himself. He does this job over an estimated period of a total of two months a year earning a total of Nu. 15,000 a year. Since this person does not have any documents as evidence of his earnings, he will be paid the reported income loss in the census / socioeconomic survey, for a period of one year.

63. All affected persons will also be compensated for the time lag (taking into account annual inflation rate) between the time of payment of compensation and the time of survey. 'Shifting assistance (up to Nu. 10,000) will be paid to all affected persons or assisted with transportation by the NHDCL which has its own fleet of trucks.

64. All affected persons who are identified in the subproject areas on the cut-off date¹⁶ will be entitled to compensation for their losses discussed earlier, and rehabilitation measures (as outlined in the entitlement matrix below) sufficient to assist them to improve or at least maintain their pre project living standards, income-earning capacity and production levels. Persons who settle in the affected areas after the cut-off date (25 February 2021) will not be eligible for compensation and assistance. Affected persons will be provided 30 days' advance notice to ensure no or minimal disruption in livelihood. If required, they will also be assisted to temporarily shift for continued economic activity. Since the person whose secondary livelihood will be affected, she has been paid an allowance amounting to income earned for one year and since her husband only carries out carpentry as and when there is demand, which is in addition to what he already earns as a staff of the NMC, arrangement of temporary space for carpentry was not felt necessary.

65. The site will be secured after the current residents vacate and handed over to the contractor. The NHDCL has agreed to allot a certain percentage of total available residential units to staff of the NMC in existing NHDCL housing colonies in Thimphu who will vacate the residential area. At the time of preparation of this resettlement plan, the NHDCL had already allotted apartments to five NMC staff in the Changjiji housing area owned and operated by NHDCL. The rest of the staff will relocate once the NHDCL serves a notice, four months before imminent date of vacating the current housing premises they currently reside in.

¹⁶ Permanent land acquisition and temporary impacts will follow the cut-off date (25 February 2021).

Table 9: Entitlement Matrix¹⁷

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^a	Compensation Policy ^b	Implementation Issues	Responsible Agency
1. Loss of Residential Structures						
1-a	Loss of residential structure	Residential structure and other assets	Government employees who are tenants / leaseholders of government buildings ¹⁸	<ul style="list-style-type: none"> • One-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. • Any residual lease or advance amount will be provided on submission of proper documental evidence. • Any additional structures erected by tenants or lease holder will also be compensated and deducted from owner's compensation amount. • Advance notice of 4 months will be given to the affected households. • Right to salvage material from demolished structure, 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	<ul style="list-style-type: none"> • Dealt as per the lease agreement between the tenant and NHDCL. • PMU and PIU will verify the extent of impacts through a 100% survey of affected households and determine assistance, verify, and identify vulnerable households.

¹⁷ All entitlements in Nu. will be adjusted for inflation till the year of compensation payment.

All entitlements and compensation payment to affected persons will be adjusted for annual inflation from the year of approval of the resettlement framework to the year of compensation payment.

¹⁸ In addition to the entitlements for government employees, the low-income employees of NMC will be eligible for alternate temporary housing similar to their present housing.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^a	Compensation Policy ^b	Implementation Issues	Responsible Agency
				erected by tenants at no cost.		
2. Loss of Livelihood						
2-a	Loss of Livelihood	Permanent loss of livelihood of affected persons with or without title (Business owners/operators or self-employed persons/farmer/artisans/agricultural worker/employees)	All APs facing loss of livelihood, irrespective of title (owners/ tenants and leaseholders, non-titleholders with or without written tenancy/lease documents/ workers, employees engaged with the business units)	<ul style="list-style-type: none"> • Compensation equivalent to net income from the affected business/ rent from tenants/sharecroppers for the duration of 12 months on producing relevant income or income tax return documents; in absence of proper income documents, 12 months median income will be calculated based on the information collected during socio-economic survey. • The employees will receive compensation equivalent to their net income for the duration of 6 months based on the payment/salary/wage receipts. If income documents are not available, then the person will receive compensation calculated as per the minimum wage rate.^f • Preference for employment opportunity for affected persons in the project construction work, if so desired by them. 	<ul style="list-style-type: none"> • Non-titleholders will be eligible for compensation. • Vulnerable households will be identified during the census survey. 	<ul style="list-style-type: none"> • PIU/PMU will verify the extent of impacts through a 100% survey of the affected persons. • PMU will ensure coordination with government departments and convergence with government social security schemes.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^a	Compensation Policy ^b	Implementation Issues	Responsible Agency
				<ul style="list-style-type: none"> • Vocational training for income generating and skill improvement options would be provided to any one member of the affected family. This cost would be directly paid by the project authority to the training institute or purchase of income generating assets. • Additional assistance to vulnerable households as specified in item #6 of this entitlement matrix. 		
3. Any Other Unanticipated Impact						
3-a	Any other loss not identified ^g			<ul style="list-style-type: none"> • Any unanticipated impacts of the project will be documented and mitigated based on the principles agreed upon in this Resettlement Framework and guided by Asian Development Bank's Safeguard Policy Statement 2009. 		<ul style="list-style-type: none"> • PMU assisted by PIU will ascertain the nature and extent of such loss. • PMU will finalize the entitlements in line with Resettlement Framework.

^a In case of any ambiguity regarding the definition of 'displaced persons/displaced families' as provided in the LPRR 2018 and ADB's SPS 2009; SPS definition for 'displaced persons' will be followed and gaps if any regarding entitlements/compensation policy (payment of compensation) will be borne by the executing agency.

^b Transportation costs, monthly subsistence allowance and resettlement costs are not incremental. For example, if an affected household loses land, shelter and commercial business in one lot, the family will get each of these allowances only once.

^c Other assets include, but are not limited to boundary, fences, sheds, wells, etc.

^d Transportation/shifting allowance is applicable to personal goods, appliances, furniture, fixtures, and other assets that can be dismantled and shifted and will be determined based on local transportation rates and the distance.

^e The primary socioeconomic survey conducted in three project towns in 2021 indicate that average rentals paid by households in three sample towns is Nu 6,957. This is rounded off to Nu7,000.

^f The minimum wage rates as per National Workforce wage rates issues by Ministry of Labour and Human Resources, Royal Government of Bhutan, provided in Appendix 9.

⁹ Where damages occur to private, community, or government property because of construction works, the cost of restoring to at least their original condition will be the responsibility of the contractor as part of their contract. Loss of access to drinking water, sanitation, and/or any other facility due to damage of existing infrastructure during construction will be mitigated through provision of alternate facilities (e.g., alternate means of water supply).

66. If construction activities result in unavoidable livelihood disruption, compensation for lost income or a transitional allowance for the period of disruption whichever is greater will be provided. Vulnerable affected persons will be given priority in project construction employment and provided with additional special assistance for income restoration support. Compensation and assistance to affected persons must be made prior to possession of land/assets/ROW of roads and prior to the award of civil works contracts. Identity cards should be distributed 30 days before compensation. In summary, affected persons will be provided with:

- (i) 30 days advance notice regarding construction activities, including duration and type of disruption.
- (ii) Contractor's actions to ensure there is no income/access loss consistent with the initial environmental examination. This includes: leaving spaces for access between mounds of soil, providing walkways and metal sheets to maintain access across trenches for people and vehicles where required, increased workforces to finish work in areas with impacts on access, timing of works to reduce disruption during business hours, phased construction schedule and working one segment at a time and one side of the road at a time.
- (iii) For construction activities involving unavoidable livelihood disruption, compensation for lost income or a transitional allowance for the period of disruption whichever is greater.

VIII. RESETTLEMENT BUDGET AND FINANCING PLAN

67. The resettlement budget for the BGRAHSP Thimphu site subproject components includes resettlement assistance, as outlined in the entitlement matrix and contingency provision amounting to 20% of the total cost. The details are provided in Table 10. NHDCL team will be involved in facilitating the disbursement process and will facilitate opening of bank accounts for the affected persons who do not have bank accounts. The costs are the best estimates confirmed during detailed project preparation and planning. The total resettlement cost for the subproject is Nu. 607,384.61. PIU will issue order for release of payment to affected persons, which shall be released through account payee bank cheque issued in the name of the affected person.

68. Details of resettlement plan budget estimation:

- (i) **Total number of affected persons** – Fifteen households comprising 56 persons are estimated to be project affected persons as per the site visit, household interviews carried out for assets and income loss survey carried out in Thimphu. Fifteen families of 56 persons affected due to loss of shelter would have to relocate. Among the 15 affected households, six households (with 26 APs) would lose privately constructed sheds, garages and storerooms, the NMC would lose structures and five households with 24 APs would lose fruit trees and one household with five APs would experience livelihood loss under this subproject.
- (ii) **Impact on property – sheds, garages and fruit trees** – Five households (4 of the 15 households facing physical displacement and 1 household that is already relocated) will lose sheds, three will lose garages and five will lose fruit trees. The properties expected to be removed are infrastructure and trees privately established by the tenants. The civil engineers from NHDCL estimated the private structures using the current Bhutan Schedule of Rates without adding depreciation. The total estimated cost of civil structures which will be lost by the seven persons including NMC is Nu. 944,762.49. For fruit trees, the RGOB's

Property and Valuation Agency (PAVA) of the Ministry of Finance issued guidelines titled Compensation Rates 2017 (page 17) was used to calculate the crop losses. The total compensation for fruit trees is estimated at Nu. 41,153.84. Calculation of affected structures and trees are provided in Appendix 4.

- (iii) **Shifting assistance has been considered for all affected persons** – The current residents, namely the 15 affected families will relocate to alternate lodgings. The transportation allowance will also be paid to the eight families (namely the support staff) who will shift to another relocation site arranged by NMC and NHDCL at Wangchutaba. Since the distance to the alternative residential units of NMC officers and the relocation site in the case of low-income NMC staff is beyond two or more kilometers, shifting assistance of up to Nu. 10,000 is proposed for all affected families. While the professional NMC staff currently commute to office using their own cars and that provided by the NMC, they will not have to spend more than they actually do from their relocated place of residence. The low-income staff will be relocated to the area which is proximate to the office premises and therefore will not have to spend any money for transportation.
- (iv) **Livelihood restoration assistance considered for one affected person** – A low-income resident working with NMC as an ESP staff and who will have to relocate also has built structures (an extension to his/her kitchen) and carpentry shed from which he carries out carpentry works which is a supplementary means of income. He earns around Nu. 15,000 a year from carpentry work in a year expending a total time of around two months on carpentry work in a year. It is proposed that he be compensated an amount of Nu. 15,000 which is income lost for a year. He also may be allowed to reinstate his carpentry workshop in the relocation site, if he chooses, as well as being compensated for the loss of structure.
- (v) **Others:** The National Mushroom Centre has confirmed that the Department of Livestock will relocate the pig farm (adjacent to the relocation site) which will be demolished. The NHDCL has confirmed that the Department of Livestock will not claim compensation for the piggery structures. NMC's letter of assurance is provided in Appendix 6. (DOL's letter will be obtained and appended to the updated Resettlement Plan.)
- (vi) **Contingency amount** of 20% is also included in budget provision for any unforeseen impacts.

Table 10: Resettlement Budget¹⁹

S. No	Item	Unit/ Number of affected persons (APs)	Unit Rate* (Nu.)	Amount (Nu.)
A	Resettlement Costs			
1	Compensation for acquired structures – sheds and garages privately built by APs ²⁰ (sheds, garages living spaces)	7 entities (one entity being NMC) (6 HHs; 26 persons)	Based on engineering estimates using latest BSR	944,762.49

¹⁹ Grievance redress costs are part of the contractor's budget and PMU/PIU budgets hence not presented in budget table; and consultation costs are included in consultancy costs and hence not included in this budget. All cost incurred by the affected or aggrieved person to access the project GRM / attending GRC meeting/s for resolution of grievance will be borne by the project from the budgeted contingency provisions.

²⁰ Refer to appendix 4 for details of losses and compensation calculated by category of loss.

S. No	Item	Unit/ Number of affected persons (APs)	Unit Rate* (Nu.)	Amount (Nu.)
2	Compensation for acquired trees owned by tenants	5 HH (24 persons)	Based on PAVA rates	41,153.84
3	Assistance for shifting to alternate lodgings and relocation sites ²¹	20 HH (78 persons)**	Up to Nu. 10,000	200,000.00
4	Assistance for income restoration	1 HH (5 persons)	15,000/year	15,000.00
	Sub-Total A			256,153.84
B	Contingency (20%)			51,230.77
C	Detailed Measurement survey for resettlement plan updating (lump sum)	1	300,000	300,000
	Grand Total (A+B+C)			607,384.61

*All entitlements and compensation to affected persons will be adjusted for inflation and compensation payment determined accordingly.

**Including the 5 HHs (22 affected persons) who willingly moved into government housing allotted by NHDCL after the Census survey was conducted. NHDCL will pay the actual cost of the shifting/transportation. Profile of tenants losing housing (Thimphu) who have been allotted housing as on August 2021 is provided in Appendix 4.2.

Note: The alternate housing of similar type to be provided by NMC for its low-income support service staff is not costed in the resettlement budget as the arrangement is agreed between NHDCL and NMC; the formal confirmation letter and signed minutes of meetings will be included in the updated resettlement plan. Provision of alternate housing units to the low-income support service staff by NMC prior to displacement, in line with the agreed action, will be monitored by NHDCL PMU/PIU and the project.

IX. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION SCHEDULE

A. Institutional Arrangement

69. The Ministry of Finance (MOF) will be the executing agency (EA) and the National Housing Development Corporation Limited (NHDCL) will be the implementing agency of all outputs of the proposed Bhutan Affordable Housing Development Project. MOF and NHDCL will engage relevant government agencies²² and NGOs in designing and operationalizing the project. International and national consultants will be recruited to provide expert assistance. A central project steering committee (PSC) set up under the project will facilitate and ensure adequate coordination among relevant stakeholders and provide guidance for PMU and PIUs for this proposed Project. In particular, the PSC will: (i) meet at least semi-annually or more frequently if required; (ii) provide guidance for and ensure the implementation of government and ADB policies for the proposed Project; (iii) assist in resolving any interagency implementation problems; (iv) review relevant reports and audit statements from PMU and PIUs, as and when required; and (v) ensure that conditions of the Grant Agreement with ADB are met.

70. NHDCL being the implementing agency for the project, will be responsible for management, coordination and execution of all activities funded under the loan. A PMU at NHDCL will be created, which will be responsible for implementing the affordable housing project. The

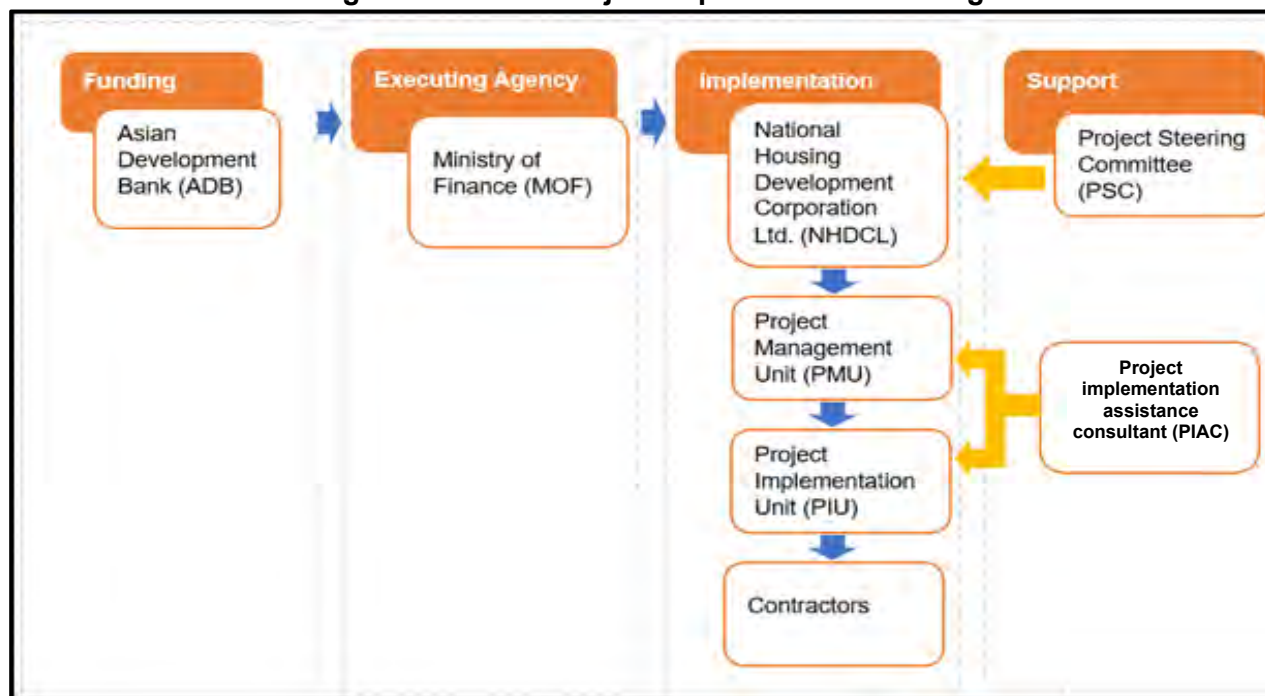
²¹ For construction activities involving unavoidable livelihood disruption, compensation for lost income or a transitional allowance will be paid as per average daily income arrived at from census and socio-economic survey or as per applicable minimum wage, whichever is greater. This assistance shall be paid for a minimum of 14 days or the actual period of disruption, whichever is higher

²² Department of Disaster Management (Ministry of Home and Cultural Affairs); Department of Engineering Services; Department of Geology and Mines; etc.

PMU will be headed by a Project Director and supported by PIUs at the district and/or sub-district level.

71. The PMU and PIUs will be further supported by a Project Implementation Assistance Consultant (PIAC) in project management and implementation. Figure below details the responsibilities for the project preparation, construction and operation.

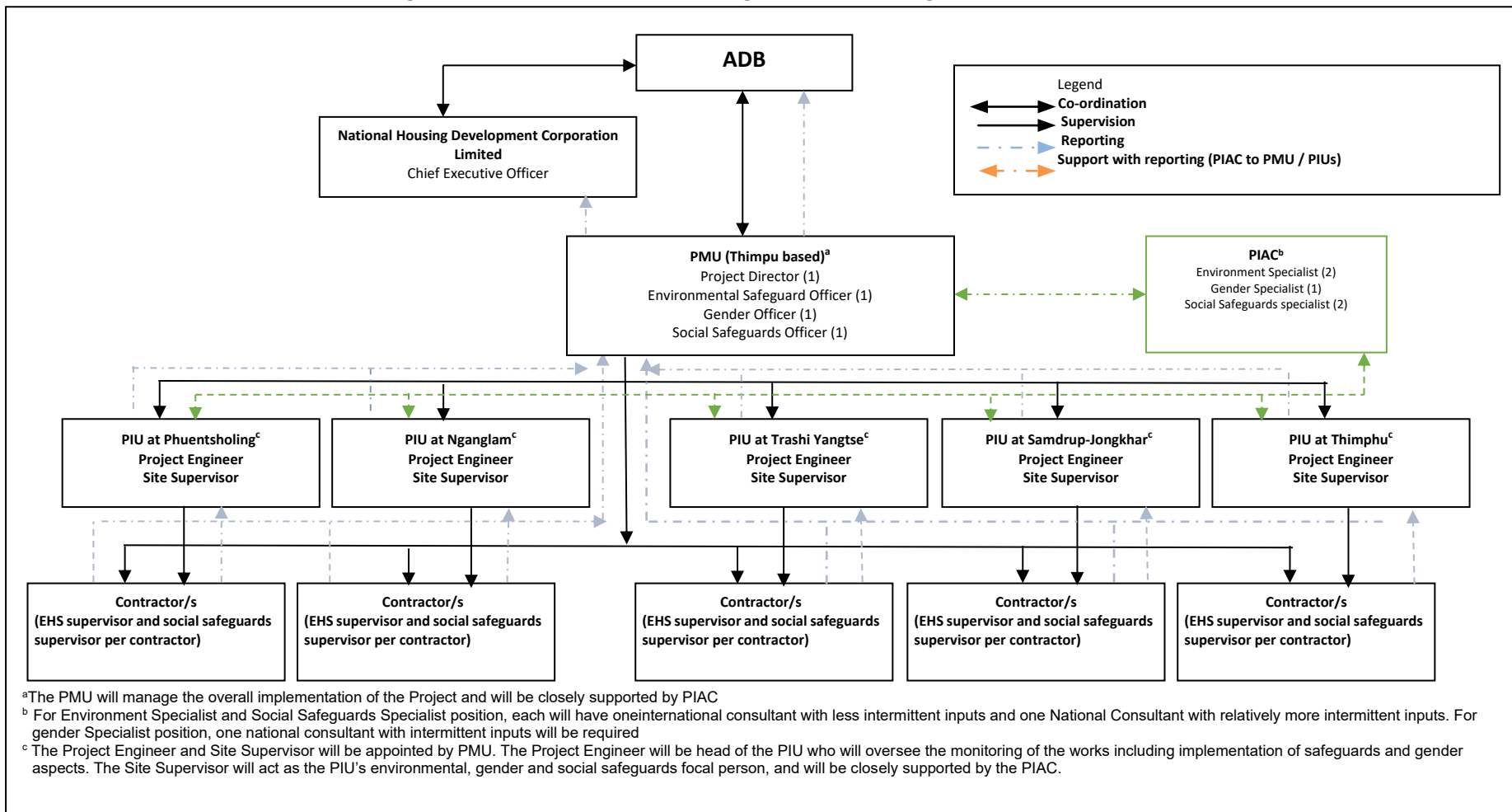
Figure 3: Overall Project Implementation Arrangement



B. Specific Institutional Arrangement for Social Safeguards

72. Figure below depicts the implementation arrangement for safeguards (environmental and social), including gender-related aspects of the project.

Figure 4: Implementation Arrangement for Safeguards and Gender



ADB = Asian Development Bank, EHS = environmental, health and safety, PIAC = project implementation assistance consultant, PIU = project implementation unit, PMU = project management unit.

73. **Project Management Unit (PMU).** The PMU will be headed by a dedicated Project Director (General Manager, Design and Planning Services, NHDCL) and will be based at Thimphu. Project Director (PD) will be the focal point with ADB and for both social and environmental safeguard implementation and compliance. The PMU will have one Environmental Safeguard Officer (ESO), one Social Safeguard Officers (SSO) and one Gender Officer, who will have the overall responsibility of ensuring compliance with ADB SPS 2009 and will support the Project Director. The PMU will have overall responsibility for implementation of the resettlement plans and appropriate monitoring and reporting responsibilities. The social safeguard officer (SSO) will facilitate implementation, monitoring and reporting of resettlement plans and other safeguard related compliances. Project Implementation Assistance Consultant (PIAC) will be recruited to support the PMU.

74. **Tasks of Social Safeguard Officer at PMU Level.** Detailed tasks and responsibilities at the PMU level are as follows:

- (i) ensure subprojects conform to the agreed subproject selection criteria for the project;
- (ii) review and finalize subproject involuntary resettlement and indigenous people category;
- (iii) oversee preparation of resettlement plans/due diligence reports (DDRs)/indigenous people plans (IPPs); confirm existing resettlement plans/ DD Rs/ IPPs are updated based on detailed designs, and that new subproject resettlement plans/ DD Rs are prepared in accordance with the resettlement framework prepared in compliance with ADB SPS 2009 and policies, regulations of RGOB for the project;
- (iv) be part of consultation activities with affected persons and other relevant stakeholders from time to time organized by PIUs to ensure free, fair and meaningful consultation are conducted and meeting minutes with signatures of all attendees, photographs of the consultations are maintained;
- (v) responsible for issuing the public notice to acquire a particular land/property (if applicable) for the subproject along with project information/details as well as the project cut-off-date;
- (vi) ensure that resettlement plans/DDRs/IPPs are included in bidding documents and civil works contracts;
- (vii) provide oversight on social safeguard management aspects of subprojects and ensure resettlement plans/IPPs and impact avoidance measures outlined in the resettlement framework/environmental management plan/resettlement plans/IPP/DDR are implemented by PIUs and contractors;
- (viii) ensure and monitor the provision in the contract to include the vulnerable affected persons and groups are included during the project construction work as semi-skilled or unskilled workers;
- (ix) facilitate and ensure compliance with all government rules and regulations regarding No Objection Certificates, third party certificates for negotiated settlement or donation, land ownership and transfer details etc. for each site, as relevant;
- (x) supervise and guide the PIUs to properly carry out the social safeguard and gender monitoring (resettlement plans/IPPs) as per the resettlement framework;
- (xi) review, monitor, and evaluate the effectiveness with which the resettlement plans/ IPPs/ provisions of DD Rs are implemented, and recommend corrective actions to be taken as necessary;

- (xii) consolidate monthly social safeguard and gender monitoring reports from PIUs and with the support of PIAC submit quarterly progress reports (QPR) and semi-annual social safeguard monitoring reports (SSMR) to ADB;
- (xiii) ensure timely disclosure of final resettlement plans/ DDRs/IPP in locations and form accessible to the public and affected persons;
- (xiv) address any grievances brought about through the GRM in a timely manner;
- (xv) oversee training needs assessment of affected persons and vulnerable persons by PIUs, coordinate training activities with the support of PIAC;
- (xvi) ensure that induction course for the training of contractors is conducted regularly. Prepare contractors (with consultants' support) on resettlement plans/ DDR/ implementation, social safeguard and gender monitoring requirements related to mitigation measures, health and safety and on taking immediate action to remedy unexpected adverse impacts or ineffective mitigation measures found during the course of implementation;
- (xvii) identify training needs and coordinate training activities for the PIUs/ PIAC/contractors for capacity building to implement the resettlement plans/ IPP/DDR, and GRM;
- (xviii) coordinate database management for social safeguards implementation and monitoring; and
- (xix) coordinate public awareness campaigns by the PIUs including resettlement provisions with the help of print and electronic media.

75. **Project Implementation Unit (PIU).** Five PIUs will be established at each of the subproject towns namely Thimphu, Phuentsholing, Trashiyangtse, Samdrup-Jongkhar, and Nganglam). The PIUs will be responsible for planning, implementation, monitoring and supervision, and coordination of all activities under the Affordable Housing Project. The PIU will be headed by a Project Engineer, who will be appointed by the PMU and will oversee monitoring of the civil works including implementation of safeguard and gender aspects. The Site Supervisor at the PIU level will be the focal person for environmental, social safeguards and gender aspects. The PIUs will be supported by the Safeguards and gender team of project implementation assistance consultants (PIAC).

76. **Social Safeguard and Gender Tasks at PIU Level.** The key social safeguard role and tasks of town/city level PIU will be:

- (i) Provide field data to fill up IR/IP impact checklist and classify the project;
- (ii) Ensure compliance with government and ADB requirements on social safeguards;
- (iii) Conduct regular site visits, including spot checks, to ensure the resettlement plan;
- (iv) Oversee and conduct census and socio-economic surveys, detailed measurement surveys, and verification surveys of affected persons together with PIAC before start of civil construction work, conduct consultations with affected persons, prepare list of affected persons and ensure all data required to prepare/update resettlement plans, DDRs with the assistance of Social, Gender and Community Engagement Specialist of PIAC. Ensure updated information is submitted to PMU for preparation/updating of documents with PIAC and contractor's support;
- (v) Inform affected persons about tentative schedule of land acquisition/occupation, entitlement matrix and compensation packages against different categories of loss, and cut-off date;
- (vi) Coordinate valuation of assets, such as land, trees of various species, etc. based on proper due diligence and assessment, prepare compensation packages;
- (vii) Coordinate, supervise and monitor disbursement of compensation;

- (viii) Obtain no objection certificates (NOCs), land documents, third party certifications (if required) for the project;
- (ix) Support to PMU in preparing/updating RPs/DDR;
 - (x) Oversee day-to-day implementation of impact avoidance and mitigation measures in resettlement plans /DDRs and EMPs by contractors, including compliance with all government rules and regulations particularly health and safety;
 - (xi) Oversee maintenance of data for monitoring, by consultants and contractors;
 - (xii) Implement corrective actions when necessary to ensure no adverse social impacts;
 - (xiii) Submit monthly social monitoring reports to PMU;
 - (xiv) Conduct continuous public consultation and awareness with the support of PIAC safeguard and gender specialists;
 - (xv) Set up GRM at field/site/PIU level and ensure it is fully functional. Address any grievances brought about through the grievance redress mechanism in a timely manner;
 - (xvi) Ensure that contractors are aware about resettlement plans/ DDR/ implementation, social safeguard and gender monitoring requirements related to mitigation measures, health and safety and on taking immediate action to remedy unexpected adverse impacts or ineffective mitigation measures found during the course of implementation;
 - (xvii) Liaise with the district/sub-district administration and line departments as and when required;
 - (xviii) Supervise the work of all consultants at town (PIU) level;
 - (xix) Oversee day-to-day implementation of final resettlement plans;
 - (xx) Provide field level information required to prepare periodic safeguard monitoring reports in a format acceptable to ADB provided in PAM;
 - (xxi) Extend support in carrying out awareness campaigns in project towns.

77. **Project Implementation Assistance Consultants (PIAC).** The PMU and PIUs will be supported by Project Implementation Consultants (PIAC) in project management and implementation. The Social, Gender and Community Engagement Specialist of PIAC will assist PMU and PIUs in implementing resettlement plans in all subproject locations, including review and updating of all resettlement plans, DD Rs. PIAC Social, Gender and Community Engagement Specialist will oversee project implementation, support on policy reform related issues and compliance of all the reporting requirements of RGOB, other statutory regulatory bodies and ADB SPS, 2009.

- (i) **Social Safeguards and Gender Tasks, PIAC.** The specific tasks of Social, Gender and Community Engagement Specialist will include the following Screen and categorize subproject components;
- (ii) Carry out (a) social baseline data collection, (b) assessment of social risks, and (c) meaningful consultations with affected persons;
- (iii) Ensure the contractors comply with the agreed social safeguards frameworks, resettlement plans, and due diligence reports on social safeguards for the project;
- (iv) Prepare any additional draft resettlement plans, update the existing resettlement plan (based on revalidation and DMS, before start of construction work), due diligence reports and prepare any new safeguard documents as and when required;
- (v) Assist the PIUs in the implementation of final resettlement plans and gender action plan;
- (vi) Assisting with any capacity building activities for stakeholders;

- (vii) Prepare periodic safeguard monitoring reports as per the format acceptable to ADB and quarterly gender action plan updates in format provided in PAM;
- (viii) Collect relevant data on implementation of gender action plan and design gender sensitive communication strategy and IEC materials illustrating key social and behavioral messages related to hygiene, sanitation and health jointly with the communication specialist and in accordance with the gender action plan;
- (ix) Extend assistance to PMU, NHDCL in carrying out awareness campaigns focused on title rights, operation and maintenance of the residential units and common areas, access to basic civic facilities, health and education facilities, etc.

78. **Contractors:** The resettlement plans will be included in bidding and contract documents and verified by the PIUs and PMU. The contractor will ensure that involuntary resettlement compensation has been paid out to the affected persons, before starting work in particular project area. All contractors will be required to designate an EHS Officer and a Social Safeguard Supervisor to ensure implementation of resettlement plan social safeguard provisions/EMP during civil works and operation and maintenance, who will also have the responsibility for communication with the public under the guidance of PMU/PIUs and grievance registration. Contractors are to carry out all compliances as mentioned in their contract.

79. The Contractor shall comply with: (i) all applicable labour laws and core labour standards on (a) prohibition of child labour as defined in national legislation for construction and maintenance activities;(b) equal pay for equal work of equal value regardless of gender, ethnicity, or caste; and (c) elimination of forced labour; and with (ii) the requirement to disseminate information on, COVID-19 safety protocols, sexually transmitted diseases, including HIV/AIDS, to employees and local communities surrounding the project sites. The key responsibilities of social safeguard supervisor on social compliance are as follows:

- (i) Work in close coordination with the PIU, design engineers and social safeguards personnel to finalize detailed design keeping the safeguard principles adopted for the project in view.
- (ii) Ensure that all design-related measures (e.g., special considerations for the vulnerable related to facility locations or design, mitigation measures for affected persons) are integrated into project designs before approval.
- (iii) Conduct joint walk-throughs with PIU, design engineers and social safeguards personnel from PIAC at sites/sections ready for implementation; identify the need for DMS, and conduct DMS to arrive at the final inventory of loss.
- (iv) Ensure strict adherence to ADB and government policy on social safeguards and the agreed entitlement matrix during implementation.
- (v) Review the resettlement plan including the entitlement matrix, category and the EMP, and conduct site visits to understand the environmental and social sensitivity of the project sites.
- (vi) Assist with grievance redress and ensure recording, reporting and follow-up for resolution of all grievances received.
- (vii) Understand the regulatory compliance requirements related to labour welfare, environmental and social safeguards, and occupational health and safety.
- (viii) Ensure that all imported labour are screened for HIV/AIDS and other infectious and transmissible diseases before being deployed at work sites. Besides, the Contractor must conduct an orientation on the health, occupational safety, movement and citizenship laws of the country before the work can start and from time to time to avert any issues resulting in conflict with local law and lawkeepers.

- (ix) Assist PIU in disclosing relevant information on safeguards (eligibility, entitlements, compensation, cut-off date, processes, timelines, GRM) to beneficiaries and affected persons including the vulnerable groups.
- (x) Ensure COVID-19 safety protocols are regularly monitored and followed at each of the construction site.

80. The above arrangement will ensure that:

- (i) Social safeguard issues are addressed.
- (ii) Resettlement framework is followed in all resettlement issues.
- (iii) Approved resettlement plans and impact avoidance and mitigation measures in resettlement planning documents are implemented.
- (iv) Implementation of resettlement plan is monitored.
- (v) Periodic monitoring reports are prepared in time and submitted to Project Director, PMU for onward transmission to ADB upon approval.
- (vi) Database on resettlement monitoring and due diligence is updated and maintained.

81. The monitoring report will focus on the progress of implementation of the resettlement plan/resettlement framework, issues encountered and measures adopted, follow-up actions required, if any, as well as the status of compliance with ADB SPS 2009, and relevant loan covenants.

C. Social Safeguards Implementation

82. The PIUs will be responsible for implementation of the resettlement plans and the PMU for monitoring of the resettlement plans. The PIU will undertake surveys and record observations throughout the construction period to ensure that safeguards and mitigation measures are provided as intended. The PMU through the PIUs will arrange for delivery of entitlements to affected persons, implementation and monitoring of safeguards compliance activities, public relations activities, gender mainstreaming activities and community participation activities. It will also arrange for obtaining statutory clearances and obtaining no objection certificates from government agencies and/or other entities, if required. It will also coordinate for obtaining ROW clearances with related state and national agencies. The PIAC Social Safeguard Specialist/ Contractor will supervise data collection for resettlement plan / due diligence report updating, preparation and implementation and prepare progress reports with respect to resettlement plan implementation. They will record IR impacts at field level during implementation, need to update resettlement plans/DDR's and need to prepare resettlement plans where earlier no impacts were envisaged and only DDR's prepared.

83. The PIU will finalize entitlements in consultation with affected persons, which will be examined and approved by the PMU. The PIU through the PIAC and contractor will arrange for delivery of entitlements to affected persons. Organizational procedures/institutional roles and responsibilities for resettlement plan implementation and steps and/or activities involved in delivery of entitlements are described in entitlement matrix.

84. The PIU will assist the PMU in implementing and monitoring the resettlement plan (duly approved by PMU and reviewed/cleared by ADB prior to implementation). PMU and PIU staff capacity needs to be built to ensure that they are fully conversant with public awareness generation activities, consultations and field surveys and an understanding of data entry and quality control.

Table 11: Institutional Roles and Responsibilities

Activities	Agency Responsible
Subproject Initiation Stage	
Finalization of sites/alignments for project (on ground)	PMU/PIUs
Meetings at community/household level with affected persons and beneficiaries	PIUs/PIAC/Contractor
Resettlement Plan Preparation/ Updating Stage	
Conducting DMS and Survey/Census of all affected persons	PIUs/PIAC/Contractor
Conducting FGDs/meetings/workshops during census surveys	PIUs/PIAC/Contractor
Verification of survey results, vulnerable households	PMU/PIU
Computation of compensation	PMU/ PIU assisted by PIAC and Contractors
Conducting discussions/FGD/meetings/workshops with all affected persons and other stakeholders	PIUs/PIAC/Contractor
Finalizing entitlements	PMU/PIUs
Disclosure of final entitlements and compensation packages	PIUs/PIAC/Contractor
Approval of Resettlement Plan Budget	MOF and PSC
Approval of Resettlement Plan	ADB
Resettlement Plan Implementation Stage	
Payment of compensation	PIUs/PMU
Consultations with affected persons during rehabilitation activities	PIUs/PIAC/Contractor
Grievances Redressal	
Internal Monitoring	PMU/PIU

DMS= detail measurement survey; FGD= focus group discussion; GRC = Grievance Redress Committee; MOF= Ministry of Finance; PMU = project management unit; PIAC= project implementation assistance consultants; PIU= project implementation unit; PSC=project steering committee

D. Institutional Capacity Development

85. Capacity to handle environmental/involuntary resettlement/indigenous people impacts, gender and vulnerability issues, etc., needs to be built in the Project. Training of PMU/ PIU staff on aspects such as environmental planning/resettlement planning/implementation, social protection and gender, including the specific recording, reporting, and disclosure requirements therefore need to be planned separately.

86. For the capacity building of designated social safeguards officer and engineers, PMU will organize training programs on safeguards. Services of consultant trainers may be procured for coordinating and imparting required trainings to the staff.

87. Owing to the complexity of Projects spread across a large area, there is a need to specially focus on capacity building on social, legal (land ownership and tenure issues) and technical aspects in such Projects with an adequate budgetary provision. Training on provisions of EARF/resettlement framework. Further, capacity building of CBOs in the Project area will be considered to ensure that they are able to represent the affected groups more effectively. If required external resources, e.g., anthropologists and development practitioners with relevant experience will be employed. Additional measures to enhance institutional capacity include exposure visits of social safeguard staff of the Project to other Indian states that have successfully implemented ADB funded Projects.

88. The specific capacity development program, which will include but will not be limited to:
- (i) sensitization on ADB's policies and guidelines on social safeguards including meaningful consultation, GRM and accountability mechanism;
 - (ii) introduction to the assessment of involuntary resettlement impacts and mitigation measures, including best practices, in the design, construction, operation and maintenance of water supply, sewerage, roads, and drainage subprojects;
 - (iii) preparation and review of RPs/DDRs based on preliminary design, and updating of the documents based on the final design;
 - (iv) improved coordination within nodal departments;
 - (v) disbursement of compensation, consultation; and
 - (vi) monitoring and reporting requirements.

E. Implementation Schedule

89. The project will be implemented over a period of three years. The resettlement plan implementation schedule will vary from subproject to subproject. In general, the project implementation will consist of the three major phases, namely project preparation, land acquisition (if required), and rehabilitation of affected persons. In line with the principles laid down in the resettlement framework, the executing agency and implementing agency will ensure that project activities are synchronized between the resettlement plan implementation activities and the subproject implementation. The executing agency and implementing agency will ensure that no physical or economic displacement of affected households will occur until: (i) compensation at full replacement cost has been paid to each displaced person for project components or sections that are ready to be constructed; (ii) other entitlements listed in the resettlement plan are provided to the displaced persons; and (iii) a comprehensive income and livelihood rehabilitation program, supported by adequate budget, is in place to help displaced persons improve, or at least restore, their incomes and livelihoods.

90. All land acquisition, resettlement, and compensation for a subproject will be completed before award of civil works contracts. All land required will be provided free of encumbrances to the contractor prior to handing over of subproject sites and the start of civil works. The implementation of the resettlement plan will include: (i) identification of cut-off date and notification;²³ (ii) verification of losses and extent of impacts; (iii) finalization of entitlements and distribution of identity cards; (iv) consultations with affected persons on their needs and priorities; and (v) resettlement, provision of compensation and assistance, and income restoration for affected persons. The expected implementation schedule for a subproject is given in Table 12.

91. Both the Institutional Arrangements and Implementation Schedule have been discussed with and endorsed by the Client (NHDCL) and are also in consonance with the same proposed in the Resettlement Framework. The process of implementation of resettlement plan is explained in the table below.

²³ The start date of census survey (25 February 2021) will be the cut-off date for non-titled affected persons and titled affected persons.

Table 12: Implementation Schedule

Activities	Year 1				Year 2				Year 3			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Approval of Resettlement Plan by ADB and by Project Director NHDCL PMU	—————											
Disclosure of resettlement plan		—————										
Distribution of resettlement plan report and Brochure/PID leaflet for packages ready for implementation			—————									
Assigning responsibility to PIU safeguards staff	———											
Socio-economic survey by PIU/PIAC and list of affected persons		—————										
Issue of identity cards			—————									
Identify and confirm poor and vulnerable affected persons		—————										
Formation of Grievance Redress Committee (higher level)	—————											
Grievance Redress Activities		—————										
Disburse compensation payment and assistance for relocation in packages ready for implementation				—————								
Training and Income Generation Programs				—————								
Stakeholder Consultations	—————											
Internal Monitoring and reporting	—————											
Handing over of lands to the contractor for construction									—————			

ADB = Asian Development Bank; NHDCL = National Housing Development Corporation Limited; PIAC = project implementation assistance consultant; PIU = project implementation unit; PMU = project management unit

X. MONITORING AND REPORTING

A. General

92. The Executing Agency, through the Project Management Unit, will establish a monitoring system with pre-designed, discussed and approved indicators for monitoring social and gender safeguards prior to approval of the project. Later, during implementation monitoring will involve an assigned officer for collecting, analyzing, reporting and use of information about the progress of resettlement, based on the resettlement policy. PMU will be responsible for monitoring the progress of all aspects of resettlement and income generation. The EA will report to the ADB on resettlement and income regeneration by APs in semi-annual reports, including identification of significant issues. At the end of the project a Project Completion Report describing all significant activities and outcomes will be prepared and submitted to the ADB by the PD/PMU.

93. The resettlement plan implementation monitoring will be done internally to provide feedback to PMU through monitoring and evaluation reports and other relevant data, to identify any action needed to improve resettlement performance or to respond to changing circumstances. Evaluation of the resettlement activities will be undertaken during and after implementation of each resettlement plan to assess whether the resettlement objectives were appropriate and whether they were met, including specifically whether livelihoods and living standards have been restored or enhanced. The evaluation will also assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons as a guide to future resettlement planning. Budgetary provisions shall be kept in the RP for independent monitoring and review.

94. Monthly monitoring reports will be submitted by assigned officer to PMU. The PMU will consolidate monthly reports into quarterly monitoring reports for submission to ADB. These reports will form a part of the project progress reports submitted by PMU to ADB. A sample monitoring report format is given in Appendix 5.

95. The major objectives of monitoring are to: (i) ensure that the standards of living of affected/displaced persons are restored to the original condition or improved; (ii) ascertain whether activities are progressing as per schedule and the specified timelines are being met; (iii) assess if compensation, rehabilitation measures are sufficient; (iv) identify problems or potential issues; and (v) identify methods to rapidly mitigate any problems. The above information will be collected by Executing Agency through its PMU, which is responsible for monitoring the day-to-day resettlement activities of the project through the following instruments:

- (i) Review of census information for all Affected Persons/ Displaced Persons;
- (ii) Consultation and informal interviews with Affected Persons/ Displaced Persons;
- (iii) In-depth case studies;
- (iv) Sample survey of Affected Persons/ Displaced Persons;
- (v) Key informant interviews; and
- (vi) Community public meetings.

B. Internal Monitoring

96. Monitoring shall be undertaken by the PMU through the assigned officer supported by PIAC. They will gather information on RP implementation covering relevant activities as per the schedule. All activities listed will be illustrated showing the target dates for completing resettlement activities. Monitoring reports on resettlement plan implementation shall be included in each Quarterly Progress Report (QPR). The report of the Consultant will contain: (i)

accomplishment to-date, (ii) objectives attained and not attained during the period, (iii) challenges encountered, and (iv) targets for the next quarter. The internal monitoring report will then be integrated by the PMU with the overall QPR submitted to ADB. The reports submitted to ADB will describe the progress of the implementation of resettlement activities and any compliance issues and corrective actions. These reports will closely follow the involuntary resettlement monitoring indicators agreed at the time of resettlement plan approval. The alternate housing of similar type to be provided by NMC for its low-income support service staff as per the agreed arrangement between NHDCL and NMC, prior to displacement, and provision of such housing will be monitored by NHDCL PMU/PIU and the project. Outline of semi-annual monitoring report is in Appendix 12. Table 7 below shows the monitoring indicators that will require to be reported.

97. Table 13 lists the tentative impact indicators to be used to evaluate impacts after the program is completed.

Table 13: Monitoring Indicators

Monitoring Issues	Monitoring Indicators
Budget and Timeframe	<ul style="list-style-type: none"> • Have all resettlement concerned officer/staff been appointed and mobilized for field and office work on schedule? • Has capacity building and training activities been completed on schedule? • Are resettlement implementation activities being achieved against agreed implementation plan? • Are funds for resettlement being allocated to resettlement agencies on time? • Have resettlement offices received the scheduled funds? • Have funds been disbursed according to RP? • Has the land been made encumbrance free and handed over to the contractor in time for project implementation?
Delivery of DP Entitlements	<ul style="list-style-type: none"> • Have all displaced persons (DPs) received entitlements according to numbers and categories of loss set out in the entitlement matrix? • How many affected households have been relocated and resettled in the new location? • Are income and livelihood restoration activities being implemented as planned? • Have affected businesses received entitlements? • Have the squatters, encroachers displaced due to the project, been compensated? • Have the community structures (e.g., Mosque, etc.) been compensated for and rebuilt at new site? • Have all processes been documented?
Consultations, grievances and Special issues	<ul style="list-style-type: none"> • Have resettlement information brochures/leaflets been prepared and distributed? • Have consultations taken place as scheduled including meetings, groups, community activities? • Have any DPs used the grievance redress procedures? • What grievances were raised? • What were the outcomes? • Have conflicts been resolved? • Have grievances and resolutions been documented? • Have any cases been taken to court?
Benefit	<ul style="list-style-type: none"> • What changes have occurred in patterns of occupation compared to before?

Monitoring Issues	Monitoring Indicators
Monitoring	<ul style="list-style-type: none"> • What changes have occurred in income and expenditure patterns compared to pre-project situation? • Have DPs income kept pace with these changes? What changes have occurred for vulnerable groups?

C. Compliance Monitoring

98. Compliance monitoring of resettlement plan implementation shall cover (i) project compensation and entitlement policies, (ii) adequacy of organizational mechanism for implementing the resettlement plan, (iii) restoration of incomes of affected persons, (iv) settling complaints and grievances, and (v) provisions for adequate budgetary support for implementing the resettlement plan. The Project Management Unit Team will assess if the affected persons: (i) have been paid proper compensation and resettlement benefits; (ii) have re-established their structures; (iii) have re-established their business; and (iii) were extended assistance to restore their incomes from pre-project levels. It will also appraise the accounting documents used in recording the payments of compensation to affected persons by the Executing Agency. ADB will provide the support of a social safeguards specialist cum independent monitor, to guide the PMU and project consultants and ensure independent monitoring and reporting on project compliance with SPS requirements.

D. Reporting Requirements

99. ADB will monitor and evaluate the resettlement plan implementation and economic rehabilitation activities during entire project period. The monitoring report will contain evaluation of the resettlement plan implementation, its efficacy and provide valuable insight into the constraints in the way of implementation of resettlement plan.

100. The Project Director shall prepare and send status reports to ADB on RP implementation periodically through the Quarterly Progress Reports, the Semi-annual Social Safeguards Monitoring Reports and a final report upon completion of the resettlement program.

101. During project implementation, PMU will establish a monthly monitoring system involving staff at the PIU/PIAC level who will prepare monthly progress reports on all aspects of resettlement operations.

102. The assigned officer (PMU) will conduct periodic reviews and supervision missions during the implementation stage and will report to on the progress of all aspects of resettlement activities. It is understood that a post-evaluation of resettlement plan activities will be carried out by ADB to assess the resettlement impact and the efficacy of the resettlement plan policy.

103. The monitoring indicators for evaluation of the objectives achieved under the resettlement and rehabilitation program are of three kinds:

- (i) Process indicators indicating project inputs, expenditure, staff deployment, etc.;
- (ii) Output indicators indicating results in terms of numbers of affected people compensated/assisted and resettled, skill development training organized, and number of displaced persons capable of reorganizing their economic livelihood; and

- (iii) Impact indicators related to the long-term effects of the project on people's lives, including economic standard sustained or improved, and alternative employment provided to contractual employees on muster roll etc.

XI. NEXT STEPS


104. The steps for resettlement plan updating and implementation are given below, and are not limited to the same:

- (i) During detailed design, in case of any design change, a 100% census and socio-economic survey will be undertaken to register and document the status of affected people within subproject impact areas. Detailed measurement survey will be jointly conducted by safeguard specialist of consultants and contractors prior to implementation at each site/stretch of alignment. This RP will be updated with detailed measurement on completion of detailed design and before start of civil works by the social safeguard specialist. The updated/revised resettlement plan will be submitted to the ADB for approval.
- (ii) NHDCL to obtain a on objection from DOL regarding no claim for compensation for the piggery structures and confirmation of no retrenchment of current employees and append it to the updated resettlement plan.
- (iii) NHDCL to obtain formal confirmation letter and document agreed actions/minutes of meeting with NMC regarding provision of housing similar to existing housing for displaced low income NMC workers at Wangchutaba, ensure completion of construction at the relocation site by NMC and include the details in the updated resettlement plan. NHDCL will closely follow-up on and monitor provision of similar housing to low-income support staff by NMC and ensure such housing is ready, prior to displacement.
- (iv) ADB approval of the updated resettlement plan based on the final assessment at detailed measurement survey stage needs to be obtained by the PMU, before start of civil works.
- (v) During detailed design and/or implementation, if any temporary impacts related to pipelaying and construction of access roads to and from the site are identified, census survey will be conducted and cut-off-date for temporary impacts will be communicated to affected persons and others in the affected area during census survey (and not in much advance) and also by putting up printed information in project affected area at some common meeting place and a copy of the same to be added to the updated resettlement plan.
- (vi) Mitigation measures as proposed in this draft resettlement plan will be undertaken by the contractor and robust monitoring plan will put in place by the PIU and PMU to ensure its compliance. Civil work will be avoided during day hours. All safety measures will be taken during civil work.
- (vii) Public consultations and engagement will be carried out through the entire project planning and implementation phase. Consultations will specifically be carried out during detailed measurement and census survey (100% affected persons survey), upon finalization of design. Formal and informal consultative methods will be carried out including, but not limited to: focus group discussions (FGDs), public meetings, community discussions, and in-depth and key informant interviews – virtually or in-person; an intensive information dissemination campaign for affected

- persons will be conducted and details will be appended in the updated resettlement plan. Consultations will continue throughout implementation.²⁴
- (viii) Entitlement, cut-off-dates, grievance redress mechanism will be disclosed to the affected persons and stakeholders through disclosure meetings, in local language to be conducted by PIU and PMU. Details of disclosure meetings to be documented and reported in the updated Resettlement Plan / social safeguards monitoring reports.

²⁴ The project will follow the COVID-19 guidance and protocols of Royal Government of Bhutan (<http://www.moh.gov.bt/covid-19-strategies-protocols-and-guidance/>). ADB has also shared the guidance notes with its executing and implementing agencies in the DMCs (<https://www.adb.org/documents/series/covid-19-asia-pacific-guidance-notes>), including the executing and implementing agencies for GRAHSP.

Appendix 1: Details of land availability, ownership and status of No Objection Certificate (NOC) for sites

Project Component	Location	Ownership	Area of government land available at the location (m ²)	Thram (Registration No.)	Remarks/ NOC Status	Photo of Land
BAHP Housing Site	Semtokha, Thimphu	NHDCL	7,648.56m ² (1.89 acre)	857	Sufficient land available but currently occupied by old NHDCL housing facilities. Will be vacated before construction. Land already registered in NHDCL's name (Refer Appendix 2)	

Source: Documents provided by NHDCL.

Note: The total government land available for all proposed subproject components in Thimphu is 1.93 acres (approximately 7650 square meters/about 82,000 sq ft), which is adequate to accommodate all proposed components.

Appendix 2: Registration Certificate issued by the National Land Commission to NHDCL for the Housing Plot



དཔལ་ལྷན་འབྲུག་གཞུང་།
 རྒྱལ་ཡོངས་ས་ཆ་ལྷན་ཚོགས།
 ས་ཆ་བཞོལ་སྤྱོད་ལག་ཁྲམ་



སྤྱོད་མིའི་མིང་གསལ།	རྒྱལ་ཡོངས་ཁྲིམ་བཟོ་གོང་ས་འབེལ་ལས་འཛིན་ཚད།
ཚོམ་སྡེ།	མིམ་སྡེ།
བཞོལ་སྤྱོད་ལག་ཁྲམ་ཨང་།	༤༥༧
སྤྱོད་མིའི་ལག་ཁྲམ་དཔྱད་བཞུགས།	གཞུང་གི་གཙུག་ལྷན་གྱི་



ས་གནས།	སའི་ཨང་།	སའི་དབྱིབས།	ས་རྒྱ། (Sq.Ft.)
ལུང་བསྐྱོད་སྡེ།	LT1-441	Urban Village Medium Density(IMD)	༤༢༠༩༢
གནད་དོན།	Housing Colony		



Index Map



Coordinates:

Plot ID	Easting	Northing
LUN305420	217514.89	3036398.87
LUN305271	217497.88	3036501.27
LUN306071	217532.67	3036515.03
LUN305265	217475.14	3036497.75
LUN305423	217505.73	3036410.93
LUN305522	217464.72	3036496.34
LUN305523	217447.91	3036460.24
LUN305387	217550.07	3036440.86
LUN305425	217460.62	3036453.66
LUN305267	217519.97	3036508.92
LUN305269	217508.96	3036504.54
LUN305386	217561.86	3036494.25

24/02/2023
 རྒྱུང་པའི་རྒྱ་ཚོས།

(Signature)
 རྒྱུང་ཚོས།
 རྒྱལ་ཡོངས་ས་ཆ་ལྷན་ཚོགས།

Transcript

Royal Government of Bhutan
National Land Commission
Land Use Certificate

Username	National Housing Development Corporation limited
City/ Municipal	Thimphu
Users Certificate Number	857
Type of user certificate	National Institute




Place Name	Land Number	Land Types	Area (sq.ft.)
Lungtenphu	LT1-441	Urban Village Medium Density (MD)	82462
Reasons	Housing Colony		

Appendix 3: Google Earth Map of Housing Site at Thimphu











Appendix 4: Profile of Affected Persons





1. Profile of tenants losing housing (Thimphu) and who will have to relocate

Sl. No.	Land Site	Name of AP	Sex	Officer or support staff (low income)	HH size (No. of persons)	Primary occupation	Education	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Any vulnerability ²⁵	Photo of AP along with affected structure ³
1.	Semtokha, Thimphu	Dorji	M	Officer	4	Government employee		None	35,000	8,750	None	
2.	Semtokha, Thimphu	Dawa Penjore	M	Officer	4	Government employee	Post-graduate	None	47,000	11,750	None	
3.	Semtokha, Thimphu	Yeshey Lhendup	M	Officer	4	Government employee	Graduate	Rental	35,000	8,750	None	

²⁵ The recent Poverty Analysis Report, 2017 establishes the poverty line at Nu. 2,195/person per month. Poverty Analysis Report 2017, National Statistical Bureau, Thimphu.





Sl. No.	Land Site	Name of AP	Sex	Officer or support staff (low income)	HH size (No. of persons)	Primary occupation	Education	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Any vulnerability ²⁵	Photo of AP along with affected structure ³
4.	Semtokha, Thimphu	Ganga Maya Rai	F	Officer	3	Government employee	Graduate	None	60,000	20,000	None	
5.	Semtokha, Thimphu	Sonam Wangmo	F	Officer	6	Government employee	Secondary	None	21,000	3,500	None	
6.	Semtokha, Thimphu	Migma Choki Sherpa	F	Low income	6	Government employee	Non-literate	None	23,080	3,847	None	
7.	Semtokha, Thimphu	Chali Maya Pradhan	F	Low income	1	Government employee	Non-literate	None	12,950	12,950	None	


Sl. No.	Land Site	Name of AP	Sex	Officer or support staff (low income)	HH size (No. of persons)	Primary occupation	Education	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Any vulnerability ²⁵	Photo of AP along with affected structure ³
8.	Semtokha, Thimphu	Jigme Kuendred	M	Officer	4	Government employee	Secondary	None	20,000	5,000	None	
9.	Semtokha, Thimphu	Norphe Lhamo	F	Low income	5	Government employee	Non-literate	Carpentry	20,430	4,086	None	
10.	Semtokha, Thimphu	Padam Bahadur Chhetri	M	Low income	2	Government employee	Secondary	None	13,000	6,500	None	
11.	Semtokha, Thimphu	Norbu	M	Officer	1	Government employee	Graduate	None	22,000	22,000	None	

Sl. No.	Land Site	Name of AP	Sex	Officer or support staff (low income)	HH size (No. of persons)	Primary occupation	Education	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Any vulnerability ²⁵	Photo of AP along with affected structure ³
12	Semtokha, Thimphu	Karma Thinley	M	Officer	4	Government employee	Diploma	None	21,000	5,250	None	
13	Semtokha, Thimphu	Jit Maya Rai	F	Low income	6	Government employee	Secondary	None	35,580	5,930	None	
14	Semtokha, Thimphu	Hem Kumar Newar	M	Low income	3	Government employee	Secondary		11,580	3,860	None	
15	Semtokha, Thimphu	Ashok Mongar	M	Low-income	4	Government employee	Non-literate	None	17,000	4,250	None	



Note: The poverty line in Bhutan is established at Nu. 2,195.95 per person per month. Source: Poverty Analysis Report 2017, National Statistical Bureau, Thimphu



2. Profile of tenants losing housing (Thimphu) and who have been allotted housing as on August 2021






Sl. No.	Land Site	Name of AP	Sex	Officer or support staff (low income)	HH size (No. of persons)	Primary occupation	Education	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Any vulnerability	Photo of AP along with affected structure ³
1.	Semtokha, Thimphu	Dawa Zangmo	F	Officer	7	Government employee	Secondary	None	48,700	6,957	None	
2.	Semtokha, Thimphu	Rinzin Wangmo	F	Officer	2	Government employee	Graduate	None	16,000	8,000	None	
3.	Semtokha, Thimphu	Dawala	M	Officer	7	Government employee	Primary	None	16,000	2,285	None	
4.	Semtokha, Thimphu	Sabitra Pradhan	F	Officer	5	Government employee	Graduate	Child support	29,000	5,800	None	





Sl. No.	Land Site	Name of AP	Sex	Officer or support staff (low income)	HH size (No. of persons)	Primary occupation	Education	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Any vulnerability	Photo of AP along with affected structure ³
5.	Semtokha, Thimphu	Rita Gurung	M	Officer	1	Government employee	Diploma	None	17,000	17,000	None	


3. Profile of tenants loss of structure (Thimphu)

Sl. No.	Land Site	Name of AP	Sex	HH size (No. of persons)	Primary occupation	Income sources of HH (other than primary occupation)	Total HH income per month (Nu.)	Per Head income per month (Nu.)	Use of the affected property	Size (sq ft) affected property (sq ft)	Cost of affected property as per latest applicable BSR, adjusted for inflation as required (to be filled by project engineer) in Nu. ²	Estimated market price of affected property in Nu. ³	Photo of AP along with affected structure ³
1.	Semtokha, Thimphu	Dorji (11603000584)	M	4	Government employee (Officer)	None	35,000	8,750	Mushroom shed	185.22	5,534.52		 

2.	Semtok ha, Thimphu	Dawa Penjore 108010000 777	M	4	Governm ent employee (Officer)	None	47,00 0	11,75 0	Storeroo ms, garage	210 300 107.80	8,100.00	
3.	Semtok ha, Thimphu	Sabitra Pradhan 118030012 00	F	5	Governm ent employee (Officer)	Child support	29,00 0	5,800	Storeroo ms, garage	152.40 301.05	5,625.00	


													 
4.	Semtokha, Thimphu	Ganga Maya Rai 11307001472	F	3	Government employee (Officer)	None	60,000	20,000	Garage	301.05	3,375.00		 
5.	Semtokha, Thimphu	Jit Maya 10211001147	F	5	Government employee (Service staff)	None	35,580	7,116	Living space	88	5,400.00		

													
6.	Semtokha, Thimphu	Norphel Lhamo 10601001492	F	5	Government employee (Service staff)	Carpentry	20,430	4,086	Living space + carpentry	8.2 x 15 8 x 15	8,700.00		  

7.	Semtokha, Thimphu	NMC	-							Garage, storeroom above mushroom testing shed/ Temporary structures ESP residing in 7-unit toilet	908,027.97		
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Note: (a) Mr. Dorji (serial no. 1) faces loss of trees and minor structure, in addition to physical displacement. (b) Ms. Sabitra Pradhan (serial no. 3) has already received an alternate government accommodation but needs to be compensated for minor structures erected and trees planted by her household.


4. Socio-economic Profile of Affected Persons facing Livelihood Loss (Thimphu)




SI No	Land site	Name of APs	Sex	Education	Name of Business	Monthly income (Nu.)	No of Family members	Per Head income per month (Nu.)	Any Vulnerability	Photograph
1.	Semtokha, Thimphu	Norphel Lhamo	F	Non-literate	Carpentry	20,430	5	4,086.00	None	

Note: Mr. Norphel Lhamo also faces loss of minor structure.


5. Socio-economic Profile of Affected Persons facing tree crop loss (Thimphu)

SI No	Land site	Name of APs	Sex	Educational	Monthly income (Nu.)	No of Family members	Per Head income per month (Nu.)	Any Vulnerability	Name of fruit tree affected	No. of trees affected	Compensation for affected trees	Photograph of AP and affected tree
1.	Semtokha, Thimphu	Sonam Wangmo	Female	Class X	21,000.00	6	3,500.00	None	Apple Pear	2 1	14,958.00	  

2.	Semtok ha, Thimphu	Dorji	Male	B.Sc.	35,000	4	8,750. 00	None	Apricot	1	3,977.31	
3.	Semtok ha, Thimphu	Jigme Kuend en	Male	Class X	35,000. 00	4	8,750. 00	None	Peach Prune	1 1	6,209.92	 

												
4.	Semtokha, Thimphu	Sabitra Pradhan	Female	BSc.	29,000	5	5,800.00	None	Peach Apricot Cherry Grapes	2 1 1 3	15,314.60	 

												
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5.	Semtok ha, Thimphu	Ashok Thapa	Male	Non- literate	17,000. 00	4	4,250. 00	None	Apricot	1	693.41	
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Note: (a) Mr. Dorji (serial no. 1) faces loss of trees and minor structure, in addition to physical displacement. (b) Ms. Sabitra Pradhan (serial no. 3) has already received an alternate government accommodation but needs to be compensated for minor structures erected and trees planted by her household.

BAHP SEMTOKHA, THIMPHU SITE: SUMMARY OF COMPENSATION CALCULATED FOR LOSS OF STRUCTURES

No.	Name of Affected Person	CID	Current use of affected property	Size of property affected in sq. ft.	Compensation estimated for loss of property
1.	Dorji	11603000584	Mushroom shed (1)	185.22	5,534.52
2.	Dawa Penjore	108010000777	Storerooms (2), garage (1)	210 / 300 / 107.80	8,100.00
3.	Sabitra Pradhan	11803001200	Storerooms (1), garage (0.5)	152.40 / 301.05	5,625.00
4.	Ganga Maya Rai	11307001472	Garage (0.5)	301.05	3,375.00
5.	Jit Maya	10211001147	Living space (1)	88	5,400.00
6.	Norphel Lhamo	10601001492	Living space + carpentry (2)	123 / 120	8,700.00
7.	NMC	Garage (1), storerooms above mushroom testing shed (1)/Temporary structures ESP residing in (2)/7-unit toilet (1)			908,027.97
Total					944,762.49

Note: The above table does not include the property/structure which is owned by NHDCL and will be dismantled as well. This includes 4 cottages and 2 two-storied buildings

BAHP SEMTOKHA, THIMPHU SITE: SUMMARY OF COMPENSATION CALCULATED TO PAY FOR LOSS OF FRUIT TREES

No.	Name of AP	CID No.	Type of fruit tree affected	No. of trees affected	Age of trees	PAVA Rate*	Compensation to be paid
1	Sonam Wangmo	10901001552	Apple	2	8	5,738.79	11,477.58
			Pear	1	8	3,481.02	3,481.02
			<i>Total</i>				
2	Dorji	11603000584	Apricot	1	10	3,977.31	3,977.31
3	Jigme Kuenden		Peach	1	15	2,365.42	2,365.42
			Prune	1	15	3,844.50	3,844.50
			<i>Total</i>				
4	Sabitra Pradhan	11803001200	Peach	2	7	2,365.42	4,730.84
			Apricot	1	7	3,977.31	3,977.31
			Cherry	1	1	3,844.50	3,844.50
			Grapes	3	4	920.65	2,761.95
			<i>Total</i>				
5	Ashok Thapa	11203004564	Apricot	1	1	693.41	693.41
OVERALL TOTAL				14	-	-	41,153.84

*Source: Compensation Rates 2017, PAVA, Ministry of Finance, RGOB

Appendix 5: Letter of NHDCL directing removal of piggery near Wangchutaba relocation site



Appendix 6: Letter of NMC stating no issue with compensation for piggery structures at Wangchutaba



དཔལ་ལྷན་འབྲུག་གཞུང། སོ་ནམ་དང་ནགས་ཚལ་ལྷན་ཁག།
སོ་ནམ་ལས་ཁུངས། རྒྱལ་ཡོངས་ཤ་མོང་ལྷེ་བ།
ཕང་ཚུ་ལྷན་བ།

ROYAL GOVERNMENT OF BHUTAN
MINISTRY OF AGRICULTURE AND FORESTS
DEPARTMENT OF AGRICULTURE,
NATIONAL MUSHROOM CENTRE
WANGCHUTABA, THIMPHU



NMC/28/2020-2021/ 423

17 June 2021

Chief Executive Officer
National Housing Development Corporation Limited
Thimphu.


Sub: Compensation for piggery structure.

Sir,

This is to inform that shifting of the piggery is in the process by the Department of Livestock, once the piggery is shifted the structure will remain with NMC as it is located within NMC land. In view of the above, there will be no issue of compensation for the current piggery structure. This is submitted for your information please.





Thanking you





Yours Sincerely,


(Chenchu Dukpa)
Program Director

Program Director
National Mushroom Center
Wangchutaba

Appendix 7: Field visit photographs to housing site and site for relocation of support staff


<p>Five cottages of Executive staff of NMC</p>	<p>Residential quarters of other NMC staff</p>
 A photograph showing five small, single-story cottages with light-colored walls and dark roofs, situated on a hillside. A dirt road runs alongside them, and there is some dry vegetation in the foreground.	 A wide-angle photograph of a residential area in a valley. Several buildings with corrugated metal roofs are visible, surrounded by dry grass and trees. Hills are in the background under a clear blue sky.
<p>Temporary residences of ESP (support) staff</p>	<p>Toilet complex of ESP staff</p>
 A photograph of several simple, temporary-looking dwellings built with mud-brick or similar material, situated on a hillside. There is a lot of dry brush and debris in the foreground.	 A photograph of a long, single-story building with multiple wooden doors, likely a toilet complex. It is situated on a hillside with dry vegetation in the foreground.



<p>Relocation site for NMC support staff - entry</p>	<p>Relocation site for NMC support staff – housing plot</p>
	
<p>Relocation site for NMC support staff – southern side</p>	<p>Relocation site for NMC support staff – piggery site</p>
	

Appendix 8: Summary of Public Consultations: Consolidated summary of public consultations held for Thimphu housing site

S. No	Number of Person consulted	Male	Female	Issues Discussed	Outcome
1.	47	30	17	Introduction of the project, housing and floor plans for views on minimum room requirements, potential social impacts and entitlements, affordability of rental in future housing colonies, allotment, construction schedule, relocation of affected persons.	In general there is wide acceptance of the project but also expectations from current tenants on future allotment of housing. The majority preferred minimum of 2-bedrooms apartments with some concern on affordability by mainly waged workers. Some preference will be given by NHDCL for future allotment. Relocation of lower income staff will be taken up jointly by NHDCL and NMC to ensure they do not face severe deterioration in their socio-economic situation. NHDCL accepted compensatory payments for lost structures and trees as well as livelihoods.

Details of public consultations

S. No	Date Of Consultation	Name of Persons	Location	Topic Discussed	Outcome	Photographs
1.	18.02.2021	NHDCL waged workers and NHDCL Design Engineers with Social Safeguards Consultant (see appendix 8 for details of participants)	NHDCL Head Office, Thimphu	Presentation of project, building typology and floor plans. Preference for number of bed rooms. Rent affordability tied to employment type (wages vs regular and permanent)	Waged workers support the project and would be grateful for allotment of housing. Location may be a concern for access to workplace and social services (hospital and schools) and economic centers (shops). Some have concerns about survival after payment of rent though subsidized due to low earnings.	

S. No	Date Of Consultation	Name of Persons	Location	Topic Discussed	Outcome	Photographs
2.	26.02.2021	Management staff of National Mushroom Centre (NMC), Thromde (Municipality) and NHDCL with ADB social and environmental experts. (see appendix 8 for details of participants)	NHDCL Head Office, Thimphu	Presentation of project and plan for project preparation and construction schedule, safeguards requirements from ADB and vacating of housing sites by current tenants and relocation site arrangements for low-income staff of NMC	Participants agree that this is a priority project for Government. Management accepts the project and construction schedule and are aware of the need to vacate when notice served. Concerns of the housing needs of the low-income staff of NMC raised and agreed that they will be relocated to alternative housing at the NMC construction site at Wangchutaba which will be assessed by the social safeguards consultant prior to the relocation.	
3	01.03.2021	NHDCL with the affected persons namely tenants who have to relocate from the housing site. (see appendix 8 for details of participants)	NHDCL Head Office, Thimphu	Presentation of project and plan for project preparation and construction schedule, safeguards requirements from ADB and impacts of construction namely relocation, impact on structures and trees. Vacating of housing sites by current tenants and relocation site arrangements for low-income staff of NMC.	While people support the project, they are concerned about imminent loss of housing and replacement through allotment of housing in NHDCL existing housing colonies. NHDCL agrees to provide all support in transportation during relocation as well as skilled manpower for	

S. No	Date Of Consultation	Name of Persons	Location	Topic Discussed	Outcome	Photographs
				Allotment of housing for displaced tenants.	construction of housing at relocation site. Allotment of replacement housing for staff will be done according to rules (waiting list), NHDCL will have some concessions in ensuring a proportion of the vacant housing is reserved for NMC staff.	

Appendix 9: Minutes of Meetings with signed participant list and photos (18/02/21)

ཕྱི་རྒྱལ་ཡོངས་ཁྲིམ་བཟོ་གོང་འཕེལ་ལས་འཛིན་ཚད།
National Housing Development Corporation Limited
Thimphu: Bhutan

NHDC/D&PS/2021/224

19/02/2021

Minutes of Meeting**Date of Meeting:** 18/02/2021**Venue:** Conference Hall, NHDCL.**Meeting Subject:** Design team discussion with the NHDCL wage workers for Affordable Housing Project.**Participants:**

1. Mrs. Sonam Choden, GM, D&PS
2. Mr. Saroj K. Nepal, ADB Consultant (Social Safeguards)
3. Mr. Sonam Tshering, D&PS
4. Mr. Pashupati Diyale, D&PS
5. Mrs. Tshering Dema, D&PS
6. Mr. Yeshi Pelzang, Electrician-I
7. Mr. Monu Rai, Carpenter-II
8. Mr. Amraj Gurung, Carpenter-II
9. Mr. Bir Bdr. Mongar, Plumber-II
10. Mr. Sarkuman Rai, Plumber-II
11. Mr. Nar Bdr. Darji, Mason-II
12. Mrs. Jas Maya Ghalley, Gardener
13. Mr. Mon Bdr. Biswa, Helper
14. Mr. Babita Ghalley, Helper

Agendas Discussed:

As NHDCL is planning to build affordable housing project with the support of ADB targeting the low-income groups, this discussion was held with the wage workers of NHDCL to get their opinions/views on the designs prepared so that changes could be incorporated accordingly. The discussion started off with the architects explaining about the features of all type of building that would be available to them which included the room sizes and the room types, the number



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National Housing Development Corporation Limited
Thimphu: Bhutan

of units in one floor, staircase and lift provisions that would be available as well as indicative rental charges for different categories of dwellings ranging from Nu. 3,000 to Nu. 4,500 depending on space and facilities and calculated on the current rate of Nu. 6.3 per sq. ft. of housing space within Thimphu city. The wage workers were asked their opinions on what was presented.

The agendas discussed in the meeting were as follows:

1. The minimum architectural design requirement for a room in Bhutan is 3m x 3m. However, in our current design, more than the minimum requirement is provided.
2. On an average, it was found that there were 4-5 family members in every household as per their submission.
3. All the wage workers preferred Category IV, two-bedroom apartment with one toilet.
4. Given the option, everyone expressed on not opting for One-bedroom apartment. They expressed concerns about room sharing when they have guests over and also said that they can't use the living room as a Choesham (Bhutanese altar) as it was deemed inconvenient. They also mentioned that with school children in the house, additional room was necessary for their use.
5. The wage workers do not have to bear any rent for the houses that they are currently living in, which is basically constructed with CGI sheets and are of semi-permanent, located in the core town area (Near BCCI office & Druk Air office, etc). They shared concerns regarding the transportation charges that will incur if they were relocated to the proposed structure which is away from the town area. They were also worried about the weekly shopping expenditures and the difficulties they might face in dropping off their children to school in the proposed project area. They suggested if the company could provide them with office vehicle/bus service.
6. There were deliberations on the house rents. Many said they may not be able to afford the proposed structure considering their current job status. The wage workers are currently working on Muster Roll in the company, whereby their payment is on daily wages. They expressed concerns about their sustenance and health, if they fall sick and



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 National Housing Development Corporation Limited
 Thimphu: Bhutan

won't be able to come to office for work for a few days, paying the rent would be out of question. In essence, they were worried that with the current wages, and if there is no revision in wages, they would not be able to survive with the meagre amount left after paying rental even for the lowest rental charge for the smallest housing unit which was indicated at Nu. 3,000/month. When asked, wage workers also indicated they can pay 40-60% of their payments on rent.

7. The challenges on the regularization of the Muster Rolls were also raised. NHDCL being a self-sustaining corporate entity, the challenges of raising enough revenue is a big concern. NHDCL clarified that the regularization of the wage workers has been a topic of discussion at the management level and will be looked into holistically based on need and performance of the workers.



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 National Housing Development Corporation Limited
 Thimphu: Bhutan

Attendance sheet: Design team discussion with NHDC wage workers on February 18, 2021 at 4:00 pm in the conference hall of NHDC.

Sl. No.	Name	ID No.	Category	Organization	Signature	Hour/Day
1	Yeshe Pelzang	11106002464	Electrician-I	NHDC	<i>[Signature]</i>	4(24.02)
2	Motu Rai	11304000143	Carpenter-II	NHDC	<i>[Signature]</i>	3(24.02)
3	Amraj Gurung	11216002179	Carpenter-II	NHDC	<i>[Signature]</i>	4(24.02)
4	Bir Bdr. Mongar	11811001852	Plumber-II	NHDC	<i>[Signature]</i>	3(24.02)
5	Sarkuman Rai	11201002569	Plumber-II	NHDC	<i>[Signature]</i>	3(24.02)
6	Nar Bdr. Darji	Dha(DCRC-28)	Mason-II	NHDC	<i>[Signature]</i>	2(24.02)
7	Jas Maya Ghalley	11208001215	Gardener	NHDC	<i>[Signature]</i>	2(24.02)
8	Moo Bdr. Biswa	21213000386	Helper	NHDC	<i>[Signature]</i>	2(24.02)
9	Babita Ghalley	11208001216	Helper	NHDC	<i>[Signature]</i>	2(24.02)
10	Sherab Jamtsho	10811001489	Day Security guard	NHDC	<i>[Signature]</i>	3(24.02)
11	Sangey K. Ngimol	11510001123	Accountant	ADB	<i>[Signature]</i>	
12	Tshering Dorjee	1173002215	Engineer	NHDC	<i>[Signature]</i>	
13	Sonam Ghalley	11911001171	Inspector	NHDC	<i>[Signature]</i>	
14	Wastupat Dorjee	11911001172	Inspector	NHDC	<i>[Signature]</i>	

11 males & 3 females



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National Housing Development Corporation Limited
Thimphu: Bhutan

The discussion photographs are attached below:



Figure 1. Design team discussion with the NHDC wage workers.

**MINUTES OF CONSULTATIONS (#2)
BHUTAN AFFORDABLE HOUSING PROJECT
(TA-9781 REG: Developing South Asian Livable Cities Facility)**

- Title of Consultations** : *Consultations with Management staff of National Mushroom Centre (NMC) Staff living in the National Housing Development Corporation Limited (NHDCL) Housing Colony, Semtokha & Thimphu Thromde*
- Date, time & Venue** : 26 February 2021
2.30 to 5 PM
NHDCL Conference Hall
- Objective of the Consultations** : 1. Project Affected Persons are aware of the Plan for development of current NMC housing site for affordable housing through ADB support;
2. Participants are aware of social safeguards requirements of NHDCL;
3. NHDCL and NMC present tentatively agreed process and schedule for residents (in both permanent buildings and temporary structures) vacating the identified construction area and arrangement if any that needs to be made for them;

Minutes by Agenda item

1. Personal Introductions

The CEO welcomed all to the meeting. The CEO introduced the Social Safeguards Consultant and the Thromde Representative to the meeting.

2. NHDCL briefly presents the objective of the Project, project sites and then details on Thimphu site with regard to planned structures and access and provision of services for the site during construction and on completion:

CEO, NHDCL explained that the Royal Government of Bhutan (RGOB) is preparing a USD 30 million assistance for affordable housing in Bhutan from the Asian Development Bank (ADB), of which USD 24 million is loan and USD 6 million is grant. He made specific reference to the NMC housing colony which will now be used to develop housing structures in Thimphu mainly because the NMC buildings are old and have outlived their utility and therefore need to be replaced. He informed that many procedures need to be fulfilled as per ADB to process the assistance and this meeting part of that as well.

The Social Safeguards Consultant explained that one of the reasons for inviting the Thromde to this meeting is to get feedback on provision of urban services to the housing site and after construction and to see if there are any inconveniences with regard to routing service lines through private property.

The Thromde Representative indicated that as per Thromde regulations, temporary housing and shanties were to be removed some years back but many clusters still exist while are also out of view. Even it was actually planned to demolish NMC area's temporary houses inhabited by ESP

staff 2 years ago. The Thromde Representative mentioned that the road entry point north from the highway going to Wangdue needs to be maintained. CEO NHDCL mentioned as in Phuentsholing, NHDCL can take up the work and the Thromde can compensate for the work undertaken to NHDCL. He commended NHDCL's fair housing allotment process and record of NHDCL. He also said that the Land Use Certificate (LUC), an important prerequisite will be provided soon to NHDCL and since it's a planned area for development, there will be no issues related to providing amenities and utility infrastructures. He explained that the area between highway in the north and the road in the south was a planned area so no inconveniences and hinderances foreseen.

3. ADB Consultant explains the safeguards requirements vis-à-vis RGOB:

The Social Safeguards Consultant (ADB) explained the entitlements as per the entitlement matrix for tenants who would be losing housing proposed because of the gaps in rules and arrangements from the RGOB side which the ADB has provisioned for. He quoted the example of having to pay compensation for sheds and storerooms tenants have built themselves and for fruit trees that they have planted.

4. NHDCL and NMC present tentative scheduling of construction to determine sequence of dismantling of structures and thereby the vacation of structures by current residents:

CEO indicated that work will start at once on the whole site. The structures will be dismantled and people need to vacate before that. He clarified that the Thimphu site cannot be delayed implying that Phuentsholing sites cannot be deferred because of the maximum number of housing units required in Phuentsholing and is the topmost priority but that Phuentsholing's housing commencement would depend on the progress made in Thimphu.

For this reason, the CEO, NHDCL made a sincere request that current NMC occupants of houses even with families will be given adequate notice to move. He also indicated that for the temporary structures, though the current ESP occupants did not pay rent, yet the NHDCL will be expecting a minimal estimate of the cost of the structures and pay to NMC who actually built the structures. On the issue of whether the construction will be phased so that people at the current housing site could move in different phases, the CEO emphasized that all space for diverse construction activities need to be made available. Hence, the colony has to be vacated all at once.

5. NHDCL presents Tenancy Contract details signed with current residents of housing colony in erstwhile MOAF, NMC area, provision of RGOB housing allowance and implication on incentives during transition period (construction period) of housing:

He informed the participants that as per allotment rules that people are given tenancy contract of maximum of 10 years, though people suggest it should be for a shorter period. NHDCL also for this case will give 4-6 months' notice for vacating the quarter though usual practice is 2 months advance notice only as per allotment rules. He further emphasized that though not there in rules but NHDCL will give those affected NMC staff allotment of new quarters through lucky dip which itself is a huge consideration.

He further explained that civil servants are already given 20% allowance of their pay for housing but as per records, staff are paying less than what they receive as allowance yet NHDCL still wants to help.

6. NHDCL presents site preparation activities – moratorium on cultivation etc.

The CEO, NHDCL also mentioned that a moratorium will be imposed after the current crop of potato etc. has been harvested in May-June 2021.

7. NHDCL apprises affected people on plans and sites for relocation for affected persons:

The CEO, NHDCL said that for the ESP families living in the informal houses, NHDCL cannot guarantee, but will try to settle these people in the new housing; since they have to accommodate similar employment-level staff from Thromde etc., but that they are liable to pay rent as prescribed. Besides, for the time being and during the transition period (construction of the housing colony and completion) they will have to adjust with other informal *bagos* (huts) in other areas.

NMC staff raised the point whether a tenant can move before the notice period for vacation expires. The CEO affirmed that this was excellent. Another NMC staff inquired if during the transitional period (construction and until housing was ready), if NMC staff would be provided housing. The CEO explained that hypothetically if NMC staff apply (and they should), and if a unit becomes vacant, they can move in if they are next in line as per the application put in for housing. A NMC representative emphasized that it is better to search for private housing rather than wait for government housing to become available. The CEO assured that NHDCL will give adequate time to current tenants to identify alternative housing by way of vacation notice. For allotment the waiting list of applicants will be followed to determine whose turn it is to be given housing. He further responded to the query about current staff not presently staying in the NHDCL housing getting a new apartment by stating that the procedure of adhering to the waiting list to see who is next in line to receive the quarter will be followed.

On the query of whether NMC staff would automatically get an apartment in the new colony on the same site, the CEO stated that the procedure of adhering to the waiting list for allotment is the basis. However, he stated that in 2014, new contracts were signed with all tenants and this has become the effective year. So, any residual time in the contract can be used by tenants if lucky to get a housing unit in the new buildings so all staff including the ESP and any waged staff should put in applications for allotment. But for the 13 affected regular staffs of NMC, a preference will be given provided they do not occupy any other NHDCL quarters during the time of allotment of the new quarters.

An issue was raised by a NMC staff of whether or not ESP staff can sustain with the Nu. 3500/month they receive as lumpsum housing allowance. The CEO explained that the current records show that tenants pay less rent to NHDCL than the allowance they get. In the transitional period, he however suggested that ESP will be adjusted where possible in another location where they could take the materials they have, and with NHDCL's assistance of carpenters etc., they can construct temporary structures but encouraged NMC to follow this up with Thromde for approvals etc.

The Thromde Representative reminded that the Thromde had asked the NMC to demolish temporary hutments. He emphasized that management may not accept hutments/shanties be rebuilt in NMC's construction site at Wangchutaba. To this CEO, NHDCL explained that temporary housing if built to look aesthetically better had in the past been accepted and, in this case, as well since livability will be assured but that Thromde could consider more from a social welfare perspective of ESP.

The Thromde Representative was sure that Thromde will not allow ramshackle units in the first place and even if the structures are within registered boundaries. He explained that Thromde had been building quarters for their staff so that type may be allowed. He further explained that any

labour camps being of temporary nature are allowed a maximum of 6 months but can be renewed depending on the construction period. All these measures are being taken by Thromde to institute stable and resilient housing. CEO clarified that the type referred to by Thromde was semi-permanent to permanent whereas in this case it is temporary dwellings that can be relocated to another site. The Social Safeguards Consultant (ADB) informed the meeting that if new site is identified, a social assessment of that site has to be done as well so to inform about the site when identified.







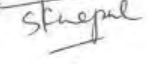



It was agreed that NMC would look into the possibility of relocating the 7 ESP staff families of NMC to make temporary arrangements. The new site will be subjected to a social assessment by the Social Safeguards Consultant (ADB) for space, utilities, neighborhood aspects among others. The CEO, NHDCL thanked all for their participation and expressing their views and concerns on the imminent housing project proposed by RGOB.

Signed participant List: Consultations with NMC and Thromde Management (26/02/2021)

Date 26/2/2021

Meeting - NHDC, NMC, Thimphu Thromde
& ADB Consultants

Members Present

Sr. No	Name	Designation/Addr./Phone No	Signature
1	Chencho Drukpa	Prof. Dir. 17650075	
2	Ganga Maya Rai	Dy. Chief M. Officer 1762288	Rai
3	Sabito Bockham	Sr. Machine Supervisor	
4	Dorji	Sr. Machine Offr. 17702679	
5	Sonam Tobgay	Dy. Chief Survey Engineer Thimphu, Thromde 17604767	
6	Deki P. Yonten	Consultant, ADB 17651793	
7	Thinley Dorji	CEO 77110028	
8	KUENZANG CHODEN	GM, CORPORATE SERVICES 17113200	
9	SARAJ K. NEPAL	CONSULTANT (ADB) 17624568	
10	Pradeep Khatiwala	CS, NHDC 17609638	
11	Thinley Wangdi	EE, NHDC 17906918	
12	Tashi Tobgay	Offg. GM, CMS 17444451	

4 women & 8 men

Photographs of Consultations with NMC and Thromde Management (26/02/21)



**MINUTES OF CONSULTATIONS (#3)
BHUTAN AFFORDABLE HOUSING PROJECT
(TA-9781 REG: Developing South Asian Livable Cities Facility)**

Title of Consultations	: Consultations with Project Affected Families: Residents of the National Housing Development Corporation Limited (NHDCL) Housing Colony, Semtokha
Date, time & Venue	: 1 March 2021 9.30 to 11.30 AM NHDCL Conference Hall
Objective of the Consultations	: 4. Project Affected Persons are aware of the Plan for development of current NMC housing site for affordable housing through ADB support; 5. Participants are aware of social safeguards requirements of NHDCL; 6. NHDCL and NMC present tentatively agreed process and schedule for residents (in both permanent buildings and temporary structures) vacating the identified construction area and arrangement if any that needs to be made for them;

Minutes by Agenda item

NHDCL welcomed all participants to the meeting and explained that this meeting follows the meeting conducted with management last week. They encouraged all to avail the opportunity to voice concerns and discuss on matters related to displacement once the work starts and other preparatory activities.

1. Tenancy agreement and tenure

NHDCL explained that those with tenancy agreements with NHDCL will have to do lucky dip to stay in the new quarters. However, one of the affected persons mentioned that in the last meeting it was discussed that except for ESP staff, all other staff would get opportunity to get quarter in the new housing complex.

Another Project Affected person mentioned that they now have three years remaining from the ten-year lease signed with NHDCL in 2014. He however, requested if NHDCL could approve that the NMC staff to stay for five years in addition to the three years' residual time. NHDCL stated that already there is a demand to reduce the rental tenure from 10 years to less and therefore this cannot be entertained by NHDCL but is subject to discussion with the Board as a policy issue. However, NHDCL stated that NMC will be treated separately i.e., that they would not be added to the general waiting list but their names will be maintained in a separate list.

2. Future occupancy in new housing

NHDCL further assured that the 12 families would be given an opportunity to occupy the new housing units but that the units would be of Class III and Class IV category with space around 600 sq.ft and rentals below Nu. 5000/month. On the issue of rent, another staff mentioned that taking the case of a driver with low salary, after all deductions etc. the employee has hardly Nu. 2,000 in hand and such people who need the quarter most may be left out if one has to pick lucky

dip. To which, NHDCL advised that the NMC can discuss internally to decide who should get first preference from NMC staff and submit the list to NHDCL who would allot whenever a vacancy arises.

A Project Affected person also requested for an assurance letter for getting housing in the next complex after completion. NHDCL explained that this request will be minuted and because this was a special case entailing a project processed for ADB assistance, special considerations is being provided. Otherwise, there is no replacement of housing provided when such developmental activities are carried out. As in the case of the Zangdopelri shopping complex area in Thimphu when 13 families were displaced, no replacement of housing units for these people were provided.

A Project Affected person indicated that all staff had planned for a ten year stay as per the contract but now suddenly they have to leave so there are worries of issues of survival which have prompted such requests. NHDCL stated that their maximum 10 years lease agreement contract will be considered. For the remaining years, they will be given preference after the completion of the project.

A Project Affected person also inquired if there would be additional house rent assistance. NHDCL explained that there are more than 30,000 civil servants of which only 2,400 are provided housing. There is therefore a need to look at this holistically. As per Government approval, all civil servants are given 20% rent allowance based on their salary. Since NHDCL/RGOB has to pay all displacement costs and not ADB so there will be huge burden, which had already subsidized. Further, MoF will not agree to any additional incentives as already there is a huge strain on RGOB finances and 20% housing allowance had taken care off. NHDCL further explained that if house rent allowance is 20% of salary and staff get Nu. 5,000/month as such allowance but the record shows that they pay only Nu. 2000-3000 as rent. Hence, tenants have enjoyed this benefit for seven years already so there is a need to reflect on the benefit enjoyed all these years.

A Project Affected person requested if a storekeeper with NMC be included in list as the 13th person to receive housing. NHDCL clarified that the person could be included if few existing NMC staff resign or are superannuated.

On enquiry, NHDCL stated that they can review the request for transfer of occupancy to NMC housing from Changjiji but cannot assure that Project Affected persons who are allotted in Changjiji will be allowed to shift to NMC from Changjiji as this is not in consonance with the allotment rules, but NHDCL would review the request.

3. NHDCL Housing allotment system

Responding to an enquiry of whether all NMC would get housing quota and if that will be retained for new staff coming on transfers, NHDCL explained that the housing cannot be transferred to new staff who would have to put in an application like everybody else and wait for allotment on vacancy. Further, there was some discussion on the CEO's statement in the last meeting of 30% of housing for NMC or if CEO was referring to 30% of housing quota for non-government people. It was clarified that the project condition is that 70% of the housing is for government officials and that the remaining 30% is for other than government staff. Whereas, the CEO may have also indicated that among low income government staff who could avail housing, NHDCL would have to allocate 30% only from NMC, 30% would be from NHDCL and 30% from Thromde. So, the 30% given by CEO has to be clarified.

To this, it was clarified that 30% are for non-civil servants those who are working as wage workers for NHDCL or municipal workers for Thromde. Since most the NMC staff are civil servants, there are already in the bracket of civil servants who have to strictly adhere to the allotment rules and regulations.

A Project Affected person explained that there is a letter that NMC found which says that NHDCL will give preference for housing to NMC staff at NMC housing colony. It was agreed that this letter be shared with NHDCL for reviewed. NHDCL explained that they have been doing allotment as per the waiting list of applicants and strictly follow the serial number to see which applicant is next in line to receive allotment. There is allotment rule which has to be followed especially in Thimphu where there is huge demand but concurrent scarcity and thus NHDCL is compelled to follow procedure.

NHDCL also clarified that the registration and application system for housing had gone online hence all need to apply and cannot be registered separately. This Government to Citizens (G2C) portal is hosted with Cabinet Secretariat for robustness and functionality.

Further, NHDCL apprised the meeting that rents are bound to increase by 10% soon after COVID-19 pandemic is over, where the Tenancy Act allows for 10% increase rent after every two years. As per the allotment rules NHDCL had to increase the rent in July 2020 but because of the pandemic which caused economic hardship this plan was kept in abeyance until the pandemic is over. On inquiry, NHDCL also clarified that all units will have a minimum of 2 BHK of Class III and & IV; the classes being determined by size of housing space per apartment.

4. ESP housing in interim period

Further, ESP had been staying in temporary houses which they themselves built with materials provided by NMC. He requested if the ESP could stay until the plots the dwellings are located in currently is developed.

As far as the ESP staff housing is concerned during the interim period, NHDCL stated that they would assist in providing skilled manpower, but materials have to be mobilized by NMC/ Project Affected persons. They advised that it is better that NMC takes the material because whatever usable material is left at site may be auctioned.

Schedule for vacating housing area and construction work

Project Affected persons inquired on the date they are required to vacate. NHDCL mentioned that they will get back on this soon through the letter notifying the deadline to vacate the housing. They also reiterated that all crops have to be claimed by July and no crops should be planted after the current crop on land namely potato etc. have been harvested. This is because NHDCL would commence the work tentatively by September 2021.

On inquiry about any environmental issues currently faced regarding drinking water and waste management, the participants indicated that a separate dedicated water supply line tapped from Chamgang ensured that they have uninterrupted water but do occasionally face water disruption for a couple of days or so at the maximum which is duly restored by NMC staff who carry out repairs. For waste they are visited by the municipal waste truck for collection of organic and general household waste twice (one day organic, one day inorganic) in a week.

As there were no further issues raised by Project Affected persons or NMC, the meeting was closed with NHDCL thanking all for participating in the meeting and sharing their views on the housing programme planned at the site at NMC housing area in Semtokha.

Signed Participants List: BAHP Consultations (1/3/2021) with Project Affected Persons

Venue : NHDCL Conference Hall
Time : 9.30 AM . Dated 1/3/2021

Sl.No	Name	Designation	Contact No	Signature
1	Dawa Penjor	Specialist offr.	17118242	[Signature]
2	Dorji	Sr. Mushrom	17604767	[Signature]
3	Ganga Maya Rai	Dy Chief Mush. office	17622875	Ganga M. Rai
4	Norbu			
5	Sabitra Pradhan	Sr. M S.	17702079	[Signature]
6	Yeshi Lhendrup			
7	Sonam Wangmo			
8	Karma Thinley			
9	Rita Gurung	Agriculture Supervisor	17643907	[Signature]
10	Rinzin Wangmo	Agriculture Supervisor	17625975	[Signature]
11	Dawala			
12	Dawa Zangmo	Messenger	17401271	[Signature]
13	Jigme Kundrel (NSSC)	Sr Lab Tech	17880213	[Signature]
16	Tashi Penjor	ESP	17408988	[Signature]
17	Ashok Mongar	ESP	17745294	[Signature]
18	Jit Maya Rai	ESP	17756279	[Signature]
19	Norphel Lhamo	ESP	17949694	[Signature]
20	Padam Bdr. Chhetri	ESP	17412973	[Signature]
21	Chali Maya Pradhan	ESP	17306894	[Signature]
22	Migmar Choki Sherpa	ESP	17359198	[Signature]
23	Hem Kumar Newar	ESP	17490190	[Signature]
24	Kuengyang Choden	GM, CS NHDCL	17113200	[Signature]
25	Pradep Kestud	CS, NHDCL		[Signature]
26	Dachen Wampdi	offr GM, REMS	17627679	[Signature]
27	Satofik Nepal	A/B Consultant	17624568	[Signature]
28	Tashi Tobjoy	offr GM, CMS	17444451	[Signature]
29				

Participants: 10 Females & 11 Males (21 participants)

Photographs of Proceedings of the Consultations



Appendix 10: Outline of Project Information Disclosure Leaflet

Subproject Information	Description
Name of the subproject, EA/IA and city	
Proposed subproject technical details and project benefits	
Summary of subproject impacts	
Compensation and entitlements	
Resettlement Plan (RP) budget	
RP implementation schedule	
Consultation and disclosure requirements	
Implementation structure and GRM information	
Contact numbers of CAPP, PIU, PMU	

Attach list of Affected persons and Entitlement Matrix to this leaflet. This leaflet will be disseminated both in local language (Hindi) and English.

Appendix 11: Grievance Registration Format (to be made available in local language)

The _____ Project welcomes complaints, suggestions, queries and comments regarding project implementation.

Aggrieved persons may provide grievance with their name and contact information to enable us to get in touch for clarification and feedback.

In case, someone chooses not to include personal details and wants that the information provided to remain confidential, please indicate by writing/typing ***(CONFIDENTIAL)*** above Grievance Format.

Thank you.

Date		Place of registration			
Contact Information/Personal Details					
Name		Gender	* Male *Female	Age	
Home Address					
Place of occurrence of adverse impact					
Phone no.					
E-mail					
Complaint/Suggestion/Comment/Question Please provide the details (who, what, where and how) of your grievance below: If included as attachment/note/letter, please tick here:					
How do you want us to reach you for feedback or update on your comment/grievance?					

FOR OFFICIAL USE ONLY

Registered by: (Name of Official registering grievance)	
Grievance number:	
Mode of communication: Note/Letter E-mail Verbal/Telephonic	
Reviewed by: (Names/Positions of Official(s) reviewing grievance)	
Action Taken:	
Whether Action Taken Disclosed:	Yes No
If Yes, enumerate the initial actions taken	
Means of Disclosure:	

Appendix 12: Sample Monitoring Template

A semi-annual monitoring report shall be prepared on Resettlement Plan implementation and submitted to ADB by the PIAC. It will include: (1) **the list of affected persons**, with compensation, if any due to each and details of compensation paid with signed receipts annexed to the report, socio-economic status and satisfaction levels of affected persons with the Resettlement Plan implementation process, compensation and mitigation measures; (2) **the list of vulnerable affected persons** and additional compensation / special protection measures planned/implemented for them (e.g. assistance to obtain project construction related jobs); socio-economic status and satisfaction levels of affected persons with the Resettlement Plan implementation process, compensation and mitigation measures; (3) **list of roads for closure** and actions planned / taken to minimize disturbance; (4) **details of consultations held with affected persons** (with number of participants by gender, issues raised, conclusion / agreement reached, actions required/taken); (5) **details of grievances** registered, redressed, outstanding complaints, minutes of GRM meetings held; (6) **details of information disclosure** and awareness generation activities, levels of awareness among target population and behavior change, if any; and (7) **any other relevant information** showing Resettlement Plan implementation progress. The following checklist may be used for overall monitoring of Resettlement Plan implementation.

S. N.	Resettlement Plan Activities	Completed Y/N	Remarks
A. Pre-Construction Activities and Resettlement Plan Activities			
1	Approval of final Resettlement Plan by ADB prior to contract award		
2	Disclosure of final Resettlement Plan on ADB and EA websites		
3	Circulation of summary Resettlement Plan in local languages to all stakeholders		
B. Resettlement Plan Implementation			
1	Grievance Redress Mechanism established at different levels		
2	Entitlements and grievance redress procedure disclosed		
3	Finalization of list of affected persons, vulnerable affected persons and compensation due		
4	Finalization of list of roads for full or partial closure; mitigation measures proposed and implemented (with photographic documentation)		
5	Affected persons received entitlements as per EM in resettlement plan		
6	Payment of compensation, allowances and assistance (No. of affected persons)		
7	Additional assistance (project-related construction jobs, if willing and able) for vulnerable households given (No. of vulnerable affected persons assisted)		
8	Grievances No. of grievances registered No. of grievances redressed Outstanding complaints Disclosure of grievance redress statistics		
9	Consultation, participation and disclosure as per Plan		
C. Monitoring			
10	Survey on satisfaction levels of affected persons with Resettlement Plan implementation completed		
D.	Labor		

S. N.	Resettlement Plan Activities	Completed Y/N	Remarks
11	Implementation of all statutory provisions on labor like health, safety, welfare, sanitation, and working conditions by Contractors. Ensuring no child labour used		
12	Equal pay for equal work for men and women		

NOTE: Where applicable, the information provided in the table should be supported by detailed explanatory report, receipts and other details.