

Resettlement Framework

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Bhutan: Green and Resilient Affordable Housing Sector Project

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CURRENCY EQUIVALENTS

(as of 18 August 2021)

Currency unit	-	Bhutanese Ngultrum (Nu)
Nu1.00	=	\$0.01
\$1.00	=	Nu74.38

ABBREVIATIONS

ADB	-	Asian Development Bank
DMS	-	Detailed Measurement Survey
DLAC	-	Dzongkhag Land Acquisition Committee
DMSC	-	Design Monitoring and Supervision Consultant
DUDES	-	Department of Urban Development and Engineering Services
EMA	-	External Monitoring Agency
GRC	-	Grievance Redressal Committee
GRAHSP	-	Green and Resilient Affordable Housing Sector Project
GRM	-	Grievance Redress Mechanism
LARC	-	Land Acquisition and Resettlement Committee
LAP	-	Local Area Plan
MOWHS	-	Ministry of Works and Human Settlements
NHDCL	-	National Housing Development Corporation
NLC	-	National Land Commission
NUS	-	National Urban Strategy
PAVA	-	Property Assessment and Valuation Agency
PIB	-	Project Information Booklet
PIU	-	Project Implementation Unit
PIAC	-	Project Implementation Assistance Consultant
PMU	-	Project Management Unit
PSC	-	Project Steering Committee
RCS	-	Replacement Cost Survey
RGOB	-	Royal Government of Bhutan
SDS	-	Social Development Specialist
SES	-	Socioeconomic Survey
SPS	-	Safeguard Policy Statement
TOR	-	Terms Of Reference
UIDP	-	Urban Infrastructure Development Project
UIP	-	Urban Infrastructure Project

WEIGHTS AND MEASURES

cm	-	centimeter
dB	-	decibels
ha	-	hectare
kg	-	kilogram
km	-	kilometer
l	-	liter
m	-	meter
m ²	-	square meter

m ³	-	cubic meter
mg/l	-	milligrams per liter
ml	-	milliliter
MLD	-	million liters per day
mm	-	millimeter
km ²	-	square kilometers
µg/m ³	-	micrograms per cubic meter

NOTE

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

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I. INTRODUCTION

A. Background

1. 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 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 aim 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.

2. Bhutan is located in the eastern Himalayas, where the Indian and Eurasian plates collide which makes the country highly exposed to seismic risk. The two earthquakes of 2009 and 2011 with magnitudes 6.1 and 6.9 respectively had severe impacts across the country, resulting in losses of US\$52 million and US\$24.46 million. Houses, public buildings, critical infrastructure and cultural heritage structures were damaged. Recent research shows that after its last major earthquake of M7.5-8.5 in 1714, Bhutan experienced an earthquake of magnitude over M8 with shallow hypocenter depths ranging from 10-15 km.²

3. Landslides are prominent and devastating natural disasters in Bhutan, and can cause significant loss of lives, damage to infrastructure, and loss of agricultural land. A study of a global database of landslide occurrences between 2004–2016³ showed that 75% of landslides occurred in Asia, with significant occurrences in the Himalayan arc. The study also showed that the majority of landslides are shallow, are triggered by rainfall and that their incidence is likely to increase in the future due to a growing population, increased construction activities, and exploitation of natural resources.⁴ Given the abovementioned challenges, it is crucial to integrate innovative approaches to enhance resilience to geophysical events and extreme weather events in housing projects. The proposed Affordable Housing Development Project will (a) serve as a strategic entry point towards transforming the current urban planning framework in Bhutan, within the broader context of livable cities aimed at achieving social development objectives, including SDG 5 (b) demonstrate and institutionalize technology application in construction as a means to achieve sustainability and disaster-resilient human settlements; and (c) show that partnership between RGOB, municipalities, private land developers, and corporations is a key to development of a comprehensive and sustainable housing program.

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

² World Bank Project Report: Improving Resilience to Seismic Risk (P144054) - December 3, 2018

³ Global fatal landslide occurrence from 2004 to 2016 – Research Study by Melanie J. Froude and David N. Petley, Department of Geography, University of Sheffield, Sheffield, S10 2TN, UK.

⁴ Probabilities are determined considering rainfall and landslide data over a time period. Singular (rainfall intensity, rainfall duration and event rainfall) along with a combination (rainfall intensity and rainfall duration) of precipitation parameters are considered to determine the probabilities for landslide events.

B. Project Outputs

4. The project is aligned with the following impact: livability, safety, and sustainability of human settlements ensured (footnote 1). The project will have the following outcome: access to green and resilient affordable housing low-income household improved.

5. **Output 1. Climate- and disaster-resilient, energy-efficient, and affordable housing units and public facilities for low-income households constructed.**⁵ Output 1 will support the NHDCL in building about 1,000 rental units, three integrated community service centers, and two recycled waste stations connected to services, in support of SDG 1. The government selected high-priority investments as subprojects.⁶ The increase in the supply of affordable rental housing is expected to immediately relieve the housing shortage and benefit lower-income civil servants (about 10%) and non-civil servants (about 90%), including marginalized municipal waste workers. The NHDCL will select beneficiaries most in need by applying beneficiary eligibility and selection criteria, with gender equality considered as part of the eligibility criteria as defined in the project administration manual (PAM). The building designs incorporate gender-inclusive features; enhanced safety against earthquake and fire hazards; and resource efficiency, making greater use of locally available materials.⁷ The building structures will employ reinforced-concrete frames and innovative pre-engineered structures. The project design has identified and incorporated climate and disaster resilience features, considering multiple hazards. The project will support green building certification through the International Finance Corporation's Excellence in Design for Greater Efficiencies (EDGE) certification program.⁸ The housing designs reflect local cultural heritage values and traditional architecture.⁹ Additional subprojects will be selected during project implementation in line with the NHP using the eligibility criteria set out in the PAM.

6. **Output 2. Institutional capacities, policy, and regulatory framework of the housing sector strengthened.** This output will (i) strengthen the NHDCL's housing design, construction, and management capacity—informed by climate and disaster risks and affordability considerations; (ii) review the building code and regulations; (iii) develop climate- and disaster-resilient building designs and related solutions to improve safety, resource efficiency, and gender and disability inclusiveness; (iv) conduct awareness training and a capacity building program for key project stakeholders on climate- and disaster-resilient design and the building code; (v) enhance the NHDCL's business model, strengthening its O&M capacity, and developing partnerships with the private sector; (vi) strengthen the housing management information system of the MOWHS by expanding it to include tenancy data and better understand and prepare evidence-informed policy updates to address demand and supply-side bottlenecks in the sector; (vii) develop a gender and socially inclusive national homeownership strategy, including a rent-to-own mechanism; and (viii) provide project implementation support, including supervision, and set up a safeguard unit in the NHDCL.

⁵ Resilient housing design incorporates climate change and disaster risk-reduction measures to avoid, minimize, and/or recover from a disaster in a timely and efficient manner.

⁶ Priority subprojects are located in Nganglam; Phuentsholing (Amochu, Rinchening and Drungpa's Residence); Samtse (Tading); Samdrup Jongkhar (Dradulthang and Toed); Thimphu (Semtoka); and Trashiyangtse.

⁷ The gender-inclusive considerations include a preference for households headed by women and tenancy agreements signed by both spouses. In addition, the service centers will include childcare facilities, shelter for women, and offers employment opportunities. The green features include insulated walls, improved windows, use of timber and stone, and water-efficient faucets.

⁸ [EDGE](#). The Green Business Certification Inc.™ (GBCI) is an independent international company that administers the EDGE certification program. The GBCI reviews EDGE proposals and issues EDGE certificates.

⁹ Government of Bhutan, MOWHS. 2014. [Bhutanese Architectural Guidelines](#). Thimphu.

C. Implementation Arrangements

7. For the proposed Affordable Housing Development Project, The Ministry of Finance (MOF) will be the executing agency (EA). The NHDCL will be the implementing agency of all outputs. MOF and NHDCL will engage relevant government agencies¹⁰ and CSOs in designing and operationalizing the crèches and in providing the integrated services of the center. 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 project management unit (PMU) and project implementation units (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. A PMU and PIUs will be formed under NHDCL, who will be responsible for the implementation of the project.

D. Resettlement Framework

8. This Resettlement Framework for Affordable Housing Development Project outlines the objectives, policy principles and procedures for land acquisition (if any) and involuntary resettlement, compensation and other assistance measures for affected persons. This framework reflects the borrower's law on the Land Act of Bhutan 2007, the Land Pooling & Readjustment Regulation 2018, RGOB policies, ADB's Safeguard Policy Statement (SPS) 2009, and other social safeguard guidelines. A detailed description of compensation measures and assistance is provided in the entitlement matrix. This framework will be applicable to any land acquisition/donation/purchase and any involuntary resettlement undertaken in anticipation of the project

9. An entitlement matrix, consistent with the existing norms and guidelines of the country and ADB SPS, 2009 has been prepared to cover losses identified in this Project. The matrix recognizes that the lack of title/customary rights recognized under law will not be a bar to entitlement and has special provisions for non-titled persons. The eligibility for compensation will be determined through a cut-off date. People moving into the project area after the cut-off date will not be entitled to compensation or other assistance.

II. PROJECT DESCRIPTION

10. To meet the large demand of housing units in the country NHDCL proposes to construct residential buildings in phases, for marginalized urban workers in Thimphu, Phuentsholing, Nganglam, and Samdrup. The Phase I construction consist of 1018 units spread over 6 districts and sub-districts. It is the finalized and updated version of housing requirement data and shall supersede the data submitted to ADB earlier as the District Housing Report. NHDCL has prioritized the requirements from various location in terms of pressing demand, availability and funds.

The land requirement for the proposed project is likely to be fulfilled by both government and private land. The overall land requirement is 25.83 acres of government land and the land requirement for sample subprojects is 11.21 acres that includes Thimphu, Trashiyangtse and

¹⁰ Department of Disaster Management (Ministry of Home and Cultural Affairs); Department of Engineering Services; Department of Geology and Mines; etc.

Phuentsholing (Drungpa's residence, Amochu and Rinchending). The remaining land requirement (estimated at 9 acres) is likely to be fulfilled through transfer of government land for housing site, although it may involve acquisition of private land for approach road.

Figure 1: New Housing Proposal (Samdrup Jongkhar)- Location 1



Figure 2: New Housing Proposal (Samdrup Jongkhar) – Location 2

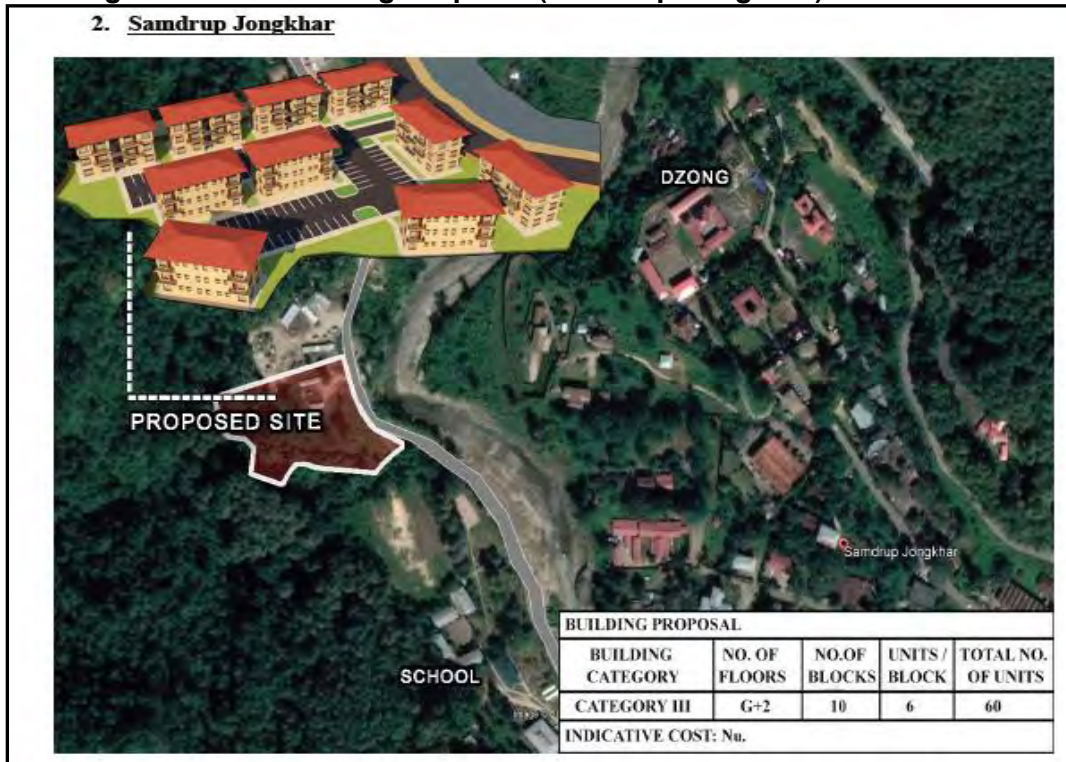


Figure 3: New Housing Proposal (Nganglam)

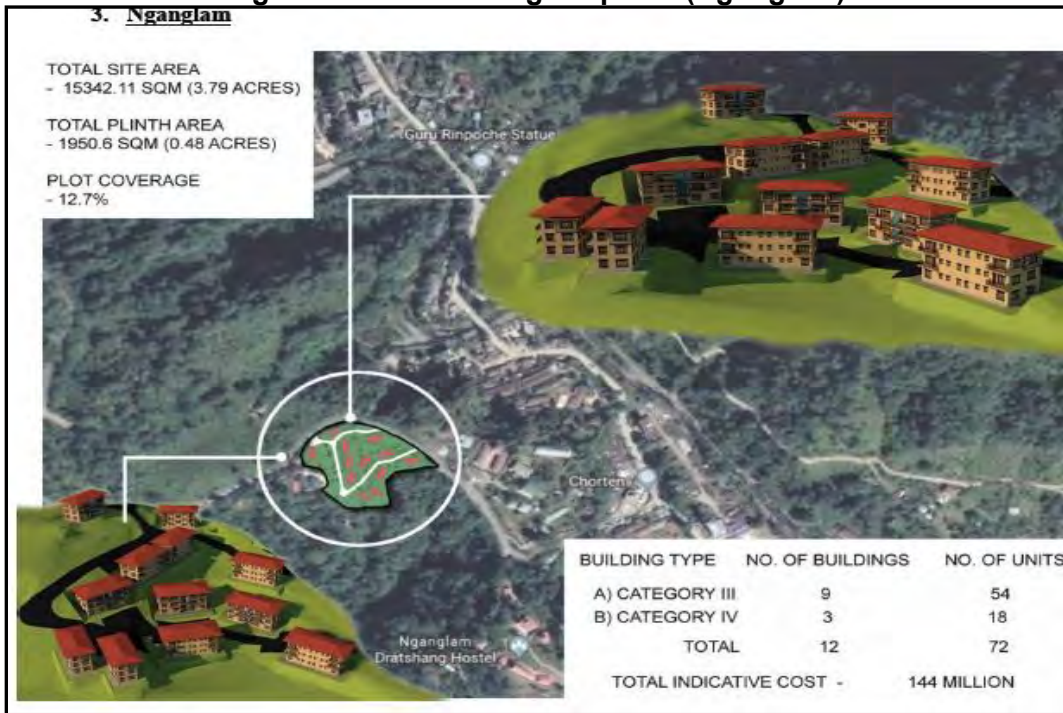
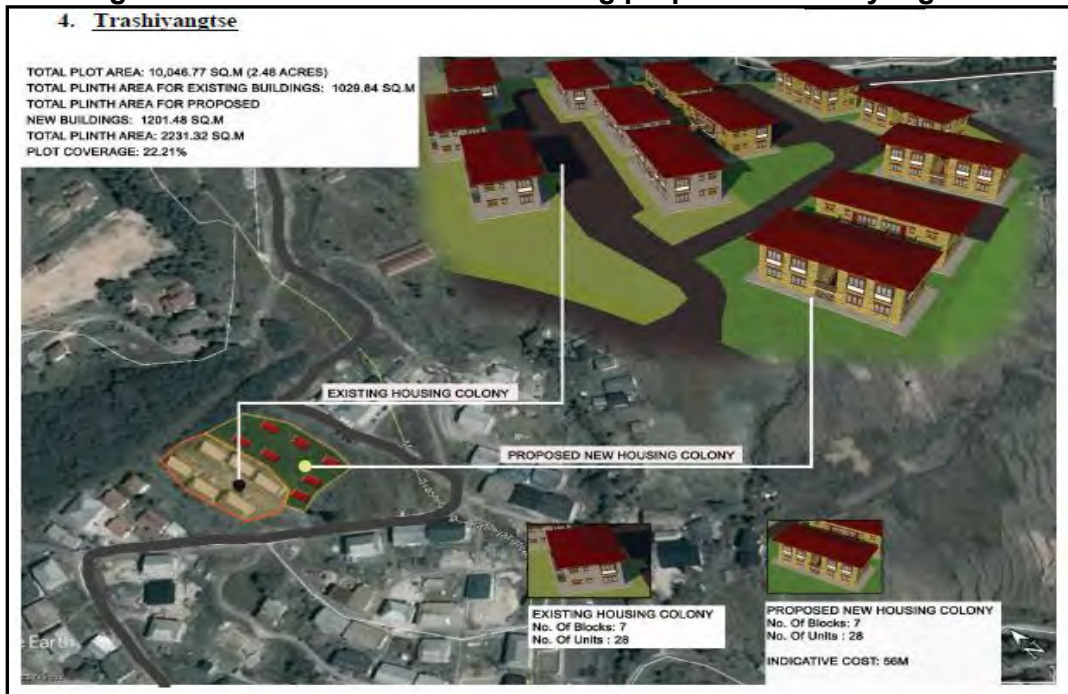


Figure 4: Site Location & new housing proposal in Tashiyangtse¹¹

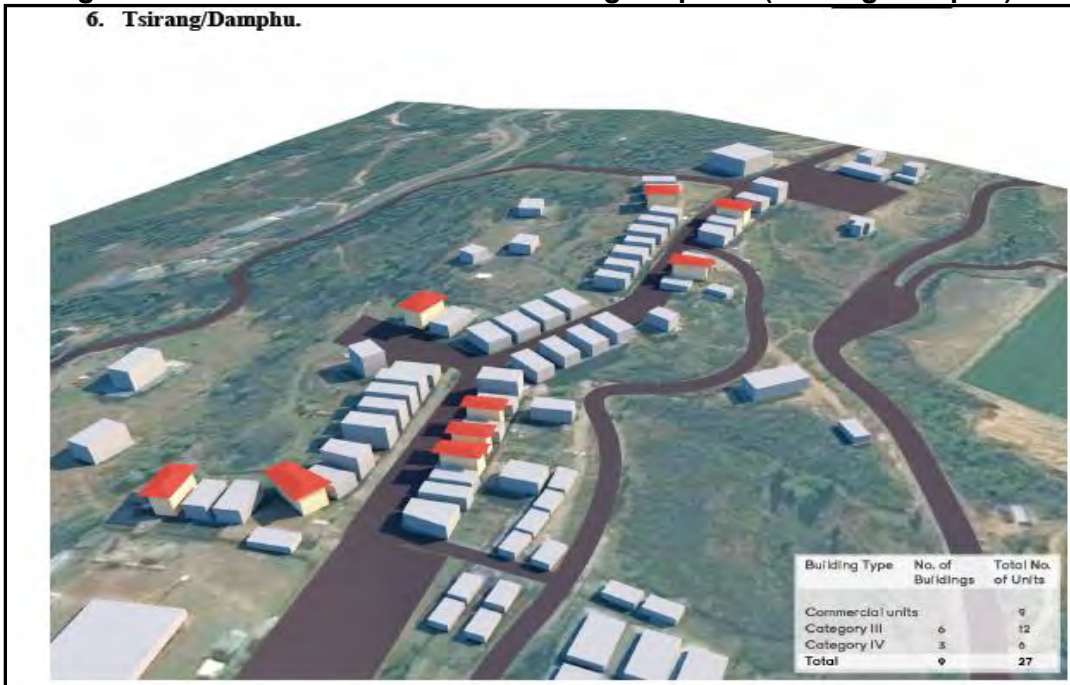


¹¹ Housing requirement in Trashiyangtse is 70 units. Due to non-availability of extra land, NHDCL is proposing 28 units in the phase I.

Figure 5: Site Location & new housing proposal in Mongar¹²



Figure 6: Site Location and New Housing Proposal (Tsirang/Damphu)¹³



¹² Housing requirement in Mongar is 136 units. Only 32 units can be accommodated in the available land.

¹³ Housing requirement in Tsirang is 60 units. Only 27 units are proposed in Phase 1.

Figure 7: Site Location & new housing proposal in Samtse¹⁴

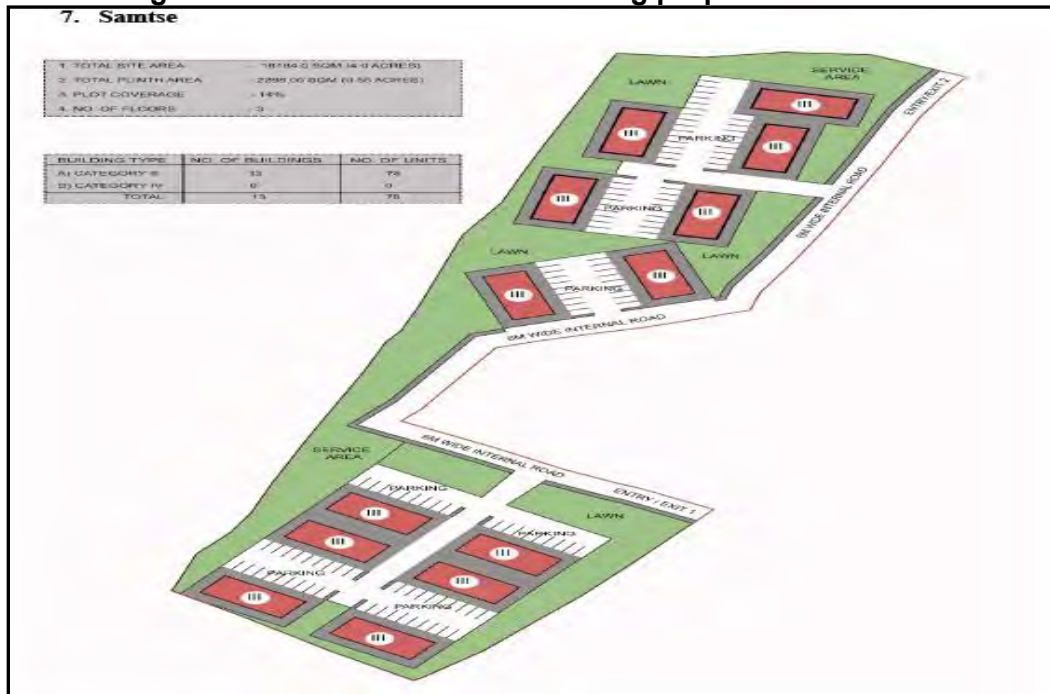
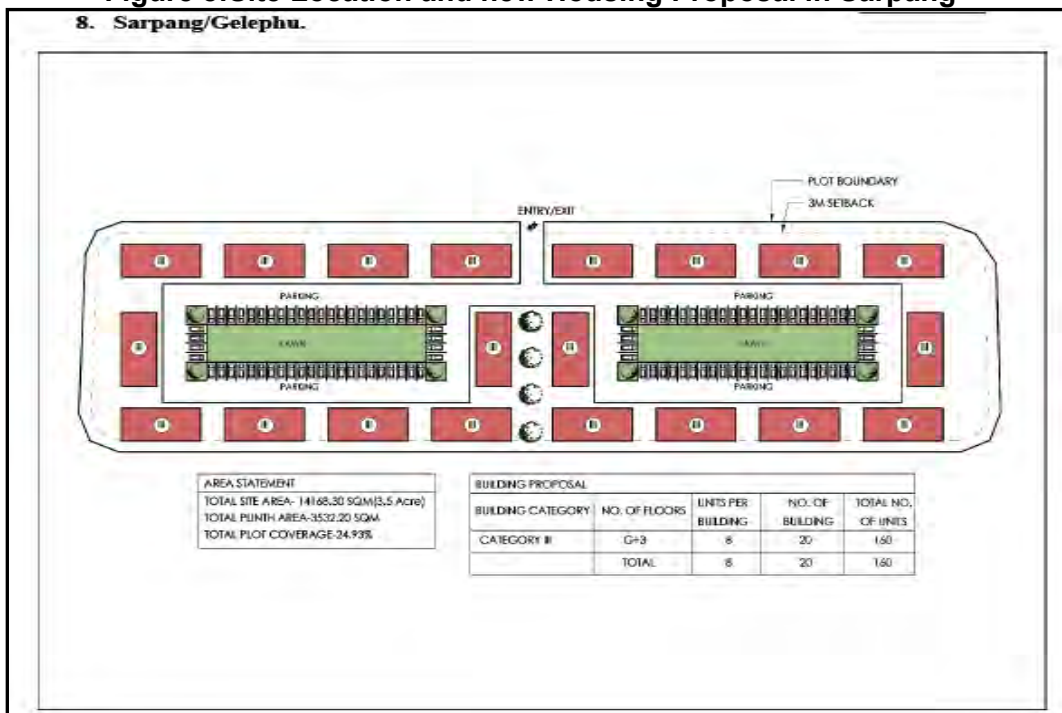


Figure 8: Site Location and new Housing Proposal in Sarpang¹⁵



¹⁴ Total housing requirement in Samtse is 136 units. Only 120 units are proposed in phase 1.

¹⁵ Housing requirement in Sarpang is 160 units. Only 96 units are proposed for construction in the phase 1.

Figure 9: Site Location and new housing proposal in Amochu

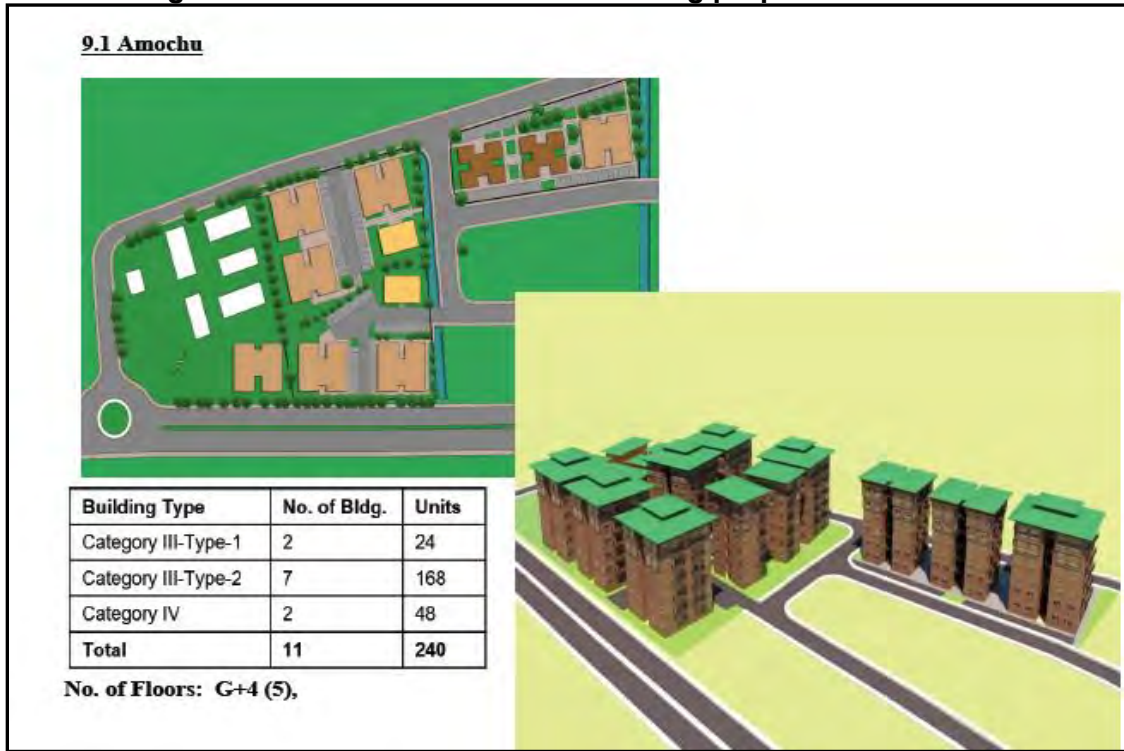
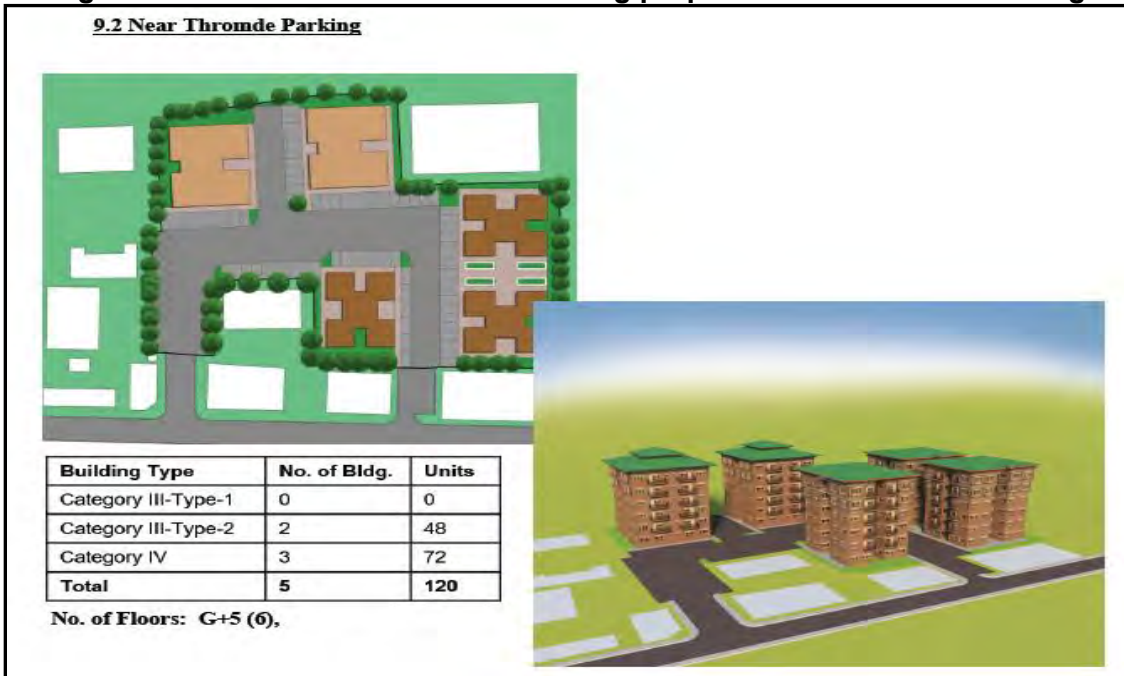


Figure 10: Site Location and new housing proposal Near Thromde Parking



III. APPLICABLE POLICY FRAMEWORK

11. This section of the report outlines the laws, policies and regulations that are applicable for this project and will guide the project activities. The legal framework and principles adopted for addressing resettlement issues for this project is guided by the existing legislation and policies of the RGOB and ADB SPS, 2009. A brief review of applicable acts and policies is presented in the following paragraphs.

12. The resettlement principles adopted for this resettlement framework document are based on the Land Act of Bhutan 2007, effective from 27th June 2007, Land Pooling and Readjustment Regulation 2018, effective from April 2018, and ADB SPS, 2009.

A. Applicable National Legislations

1. The Land Act of Bhutan, 2007

13. The Land Act of 2007 is the primary legal instrument in Bhutan. The overall objective of the Act is to manage, regulate, and administer the ownership and use of land for the socioeconomic development and environmental wellbeing 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 law established the National Land Commission (NLC), an independent authority and the highest decision-making body, vested with autonomous character and empowered to discharge the functions conferred under the Land Act of Bhutan 2007 on all land matters in the country.

14. The NLC is given the authority for acquisition of registered land and its allotment to government institutions and *Gerab Dratshang* (monastic institution), to issue the *lag thram* (ownership certificate), register the land, or amend changes in the *thram*, allotment of substitute land to the *thram* holder, approve cash compensation for land acquired and undertake stakeholder consultations.

15. The salient features of the Land Act are as follows:

- (i) Any land owned by a person shall be registered in the *Thram* in the administrative jurisdiction of the Gewog and Dzongkhag or Thromde wherein it is located. (*Section 21*);
- (ii) The Act identifies seven categories of land classified as (a) *chhuzhing* (wetland), (b) *kamzhing* (dry land), (c) cash crop land used for apples, oranges, cardamom or any other cash crop (orchards), (d) *khimsa* (residential land), (e) industrial land, (f) commercial land, (f) recreational land, and (g) institutional land. Any other category of land can be designated by the Commission from time to time. (*Section 19*);
- (iii) The Commission Secretariat or its authorized agency shall issue *Lag Thram* (ownership certificate) to the *Thram* holder as copy and evidence of his land in the *Thram*. Copies of the cadastral map of his land shall be attached to the *Lag Thram*. (*Section 23*);
- (iv) The ownership of land shall be conferred to its owner upon registration of such land in the *Thram* in his/her name in accordance with the provisions of this Act. (*Section 61*);

- (v) The land ceiling for a family and, those organizations and entities not listed in Section 68¹⁶ of this Act shall be 25 acres consisting of one or more land categories. (*Section 64 and 68*);
- (vi) Power over land management has been streamlined and decentralized to local authorities like the *gewog tshogde*, *dzongkhag tshogdu*, and *thromde*. The local bodies are empowered to certify land categories, undertake corrections of land owners name and correction of errors in *thram* and cadastral records, resolve land disputes, endorse land transactions, monitoring to enforce land ceiling, of convert land categories, conduct land surveys for boundary demarcation and under-utilization and under development of land, endorsement of withdrawal of land transaction, any land transaction notice shall be posted by local authority for public viewing. (*Section 20, 43, 46, 50, 67, 110, 131, 141, 161 to 163, 165 to 168*);
- (vii) 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*);
- (viii) 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*);
- (ix) 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*);
- (x) 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 30days 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*); and
- (xi) 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*).

¹⁶ Land ceiling do not apply to - Members of Royal Family, Crown Property, Government institutions, GerabDratshang, Community owning land for social and religious purposes, Industrial land beyond 25 acres registered in the name of a corporation.

2. The Thromde Act of 2007

16. The *Thromde* Act of 2007, which became effective in February 2008, empowers the RGOB to establish certain geographical, administrative, or economic area in the country as a thromde or *throm* (urban area). The *thromde* or *throm* is a local government unit that may be further classified into a *gyelyong thromde*, *dzongkhag thromde*, *yenlagthrom*, or *gewog throm* according to its socioeconomic profile. It is responsible for providing urban infrastructure, services, and land use development plans. The *thromde* or *throm* is established based on population, population density, land area, revenue, and type of economic activity in the area.

17. A *Thromde* is scheduled to carry out certain specific functions in coordination with relevant Government Authorities subject to the provisions of this Act, which includes: (a) Land use planning and development control through option of land budgeting, land pooling and such other tools; (b) Acquisition of land for public purposes or for any of the purpose mentioned herein above, in accordance with the procedures laid down by the Government from time to time.

18. 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)

19. The Royal Government of Bhutan (RGOB) emphasizes on an integrated approach towards management and development of land. Land Pooling was adopted as a preferred planning scheme over land acquisition by the government. The Land Pooling and Readjustment Regulation 2018 (LPRR 2018), under the Ministry of Works and Human Settlement, is applicable to all areas, both urban and rural. The regulation has been framed with the objective of enabling reconfiguration of plot boundaries and facilitating provision of infrastructure in land pooling areas to promote appropriate development of land; it is also the objective of the regulation to obtain contribution to the cost of infrastructure from the owners of land receiving special benefit from that infrastructure.

20. The key features of the LPRR 2018 are as follows:

- (i) **Feasibility Study.** The local government may undertake a feasibility study if it finds that the land is suitable for land pooling, by notifying the Ministry in writing. The feasibility study will encourage public participation and undertake public consultation meetings. Along with other details, the study includes information on plot size, household survey, preliminary cost estimate of the scheme. (*Section 7 to 12*);
- (ii) **Public Support for Proposed Scheme.** After a feasibility study has been conducted, the local government will issue a public notice of the proposed declaration of a land pooling scheme based on the feasibility study, specifying a date by which an indication of support for, or opposition to, the declaration must be received by the local government. (*Section 13 to 17*);
- (iii) **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*);
- (iv) **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 landowners who have not notified their support. In the event that a landowner 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*);
- (v) **Formation of Consultative Committee.** After the declaration of land pooling area, the local government shall establish a Consultative Committee that will provide a forum for consultation about the land pooling scheme and make recommendations to the local government about issues affecting the development of the land pooling scheme including: contribution ratios, taking into consideration plot classification; the number, size and location of reserve plots; and infrastructure needs and standards. Along with government officials, the consultative committee will have representatives from the landowners whose land is under the scheme. (*Section 29 to 31*);
- (vi) LPRR 2018 encourages active public participation in preparation of the draft land pooling plan. (*Section 35*);
- (vii) **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*);
- (viii) **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*)
- (ix) The local government may allocate a plot to an owner which is not in the same location as the original plot. (*Section 67*);
- (x) **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*);
- (xi) **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*);
- (xii) **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*); and

- (xiii) **Review of Decision.** A landowner 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. (*Section 87 to 92*).

B. ADB Safeguard Policy Statement (SPS) 2009

21. ADB has adopted Safeguard Policy Statement (SPS) in 2009 including safeguard requirements for environment, involuntary resettlement and indigenous people. The objectives of the Involuntary Resettlement Safeguard policy is to avoid 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.

22. The involuntary resettlement safeguards cover physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary. The three important elements of ADB's SPS (2009) are: (i) compensation at replacement cost for lost assets, livelihood, and income prior to displacement; (ii) assistance for relocation, including provision of relocation sites with appropriate facilities and services; and (iii) assistance for rehabilitation to achieve at least the same level of well-being with the project as without it. The SPS gives special attention to poor and vulnerable households to ensure their improved well-being as a result of project interventions. Followings are the basic policy principle of ADB's SPS, 2009:

- (i) Identification of past, present, and future involuntary resettlement impacts and risks and determination of the scope of resettlement planning.
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned non-government organizations.
- (iii) Improvement or at least restoration of the livelihoods of all displaced persons,
- (iv) Ensure physically and economically displaced persons with needed assistance.
- (v) Improvement of the standards of living of the displaced poor and other vulnerable groups.
- (vi) Development of procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement,
- (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 nonland assets.
- (viii) Preparation of 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) Disclosure of resettlement plan, including documentation of the consultation process in a timely manner to affected persons and other stakeholders.
- (x) Execution of involuntary resettlement as part of a development project or program.
- (xi) Payment of compensation and provide other resettlement entitlements before physical or economic displacement.

- (xii) Monitoring and assessment of resettlement outcomes, their impacts on the standards of living of displaced persons

1. Voluntary Land and Non-land Assets Donation

23. Voluntary donation of land involves the contribution by individuals of land for a project that has community benefits. In the case of voluntary land donation, eminent domain or other powers of the state should not be involved in the acquisition. Voluntary land donation is only possible if a project is not location-specific that can be built somewhere else if the landowner/s objects. Appendix 7 provides a sample for voluntary donation agreement, which may be improvised for NHDCL, and steps to be followed and measures to be taken by the participating Urban Local Bodies (ULBs) for voluntary land donation according to ADB SPS, 2009.

24. Voluntary donation by beneficiary households is acceptable where:

- (i) the impacts are marginal (based on percentage of loss and minimum size of remaining assets);
- (ii) impacts do not result in displacement of households or cause loss of household's incomes and livelihood;
- (iii) the households making voluntary donations are direct beneficiary of the project;
- (iv) land thus donated is free from any dispute on ownership or any other encumbrances;
- (v) consultations with the affected households is conducted in a free and transparent manner;
- (vi) land transactions are supported by documented transfer of possession papers;
- (vii) proper documentation of consultation meetings, grievances and actions taken to address such grievances is maintained; and
- (viii) the donor's households are not categorized as poor/vulnerable.

25. ADB, supported by the independent third-party report/certification,¹⁰ will (i) conduct due diligence to avoid adverse impacts on affected persons and possible reputational risks to ADB; (ii) verify that the donation is in fact voluntary and did not result from coercion, using verbal and written records; and (iii) ensure that voluntary donations do not severely affect the living standards of affected persons and benefit them directly.

2. Negotiated Land Acquisition

26. Negotiated land acquisition or negotiated settlement is normally achieved by providing fair and appropriate compensation and other incentives to the willing seller, negotiated through meaningful and well documented consultations. Such transactions do not trigger ADB SPS, 2009 beyond appropriate documentation of the process involving being overseen by an independent third party, and the process must openly address the risk of asymmetry of information availability and bargaining power of both parties. The key words are "adequate" and "fair price" for land and/or other assets.

27. Executing agency will develop procedures that are transparent, consistent, and equitable to ensure that persons who enter into a negotiated settlement in land acquisition will maintain the same or better income and livelihood status. Executing agency will ensure that the negotiating process will not adversely affect the marginality and vulnerability of any APs due to the inherent powers of the participating ULBs. The documents pertaining to the settlements, such as maps, land registries, sales records, consultation records, decision records, laws and policies pertaining to the negotiations, and development plans are to be disclosed to the APs who are involved in

the negotiated settlements. The negotiation and settlement processes will be monitored and documented by the independent third party. A sample copy of Third-Party Certification is appended in Appendix 8.

28. In cases where the failure of negotiations will result in expropriation through eminent domain or the buyer (participating ULBs) could acquire the property regardless of its owner's decision to sell it or not, will trigger ADB SPS, 2009 and Safeguard Requirements 2 will apply in such cases, including preparing an resettlement plan.

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

29. The resettlement framework is guided by the applicable national laws, regulations and the ADB SPS 2009. The LPRR 2018 and the Land Act of Bhutan 2007 clearly delineate the administrative processes to operationalize 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.

30. 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.

31. A comparison of the key requirements has been made, and suggestions on how the gaps will be addressed during program implementation through targeted involuntary resettlement principle for the project. The table below summarizes the gaps between the National Legislation and ADB Safeguard Policies and the measures to bridge the gaps.

Table 1: 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 minimised as much as possible. Design alternatives to be explored 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 optimised 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. (Section 7 to 12)	Census (should be conducted following the final design and detailed 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 these 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 recognises 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 and therefore all the mentioned entities are eligible for compensation and assistance as per Entitlement Matrix.
Valuation of Land	Valuation of land and assets are to be at replacement cost, as determined by the	It is not specifically mentioned in the Act. It is mentioned that PAVA shall fix the value of land considering land category,	The LPRR has provisions for replacement plots of similar characteristic as like the original plot. (Section 64)	Replacement costs will be independently assessed. If the Cash Compensation as per the Land Compensation Rate - 2017 matches the replacement cost, this

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
	market rate + all transaction cost.	its current use, location in relation to accessibility to 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, Department of Macroeconomic Affairs Property Assessment and Valuation Agency, Ministry of Finance (Section 151 and 152)</i>		compensation amount shall be considered, and in case of gaps with government valuation is assessed, additional top up payments will be provided to affected people to ensure replacement costs for their land and assets as per entitlement matrix.
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.	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, in cash will be provided to affected people to ensure replacement costs for their lost structures and assets as per entitlement matrix.

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.	The location of substitute land to be allotted in rural areas shall be in the order of preference of same village, Gewog, and Dzongkhag. (Section 155) The landowner shall have no choice over the location of substitute land provided by the Government. (Section 156) The Act does not mention about transitional support.	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. (Section 67) The Regulations does not mention about the transitional support.	Affected households (HHs) and businesses will receive relocation assistance either in cash or by transportation support at free of cost for shifting as well as support by the appropriate government authority in identifying and negotiating an alternative place to stay/ resettlement site within 2.5 kilometre from their actual location such that they can avail all the existing government facilities.
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 as per the Entitlement Matrix
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 publishing the preliminary notification by the competent authority under Land Act

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
				of Bhutan 2007 or LPRR2018 would be considered as the cut-off-date for the titleholders. The start date of the census survey during preparation of draft resettlement plan for the subprojects will be considered as the cut-off date for all non-title holders.
Meaningful Consultations	Carry out meaningful consultations with affected persons, host communities, and concerned CSOs. 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. (Section 72)	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	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. (Section 87 to 92)	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. The affected people can access a court of law at any time is needed and is not part of the project GRM process.

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
		<p>further investigations and shall submit its final report. (<i>Section 49</i>)</p> <p>However, these objections are not related to land acquisition or compensation issues.</p>		
Information Disclosure	<p>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.</p>	<p>The Act describes about intimating the affected land owners through notices under different sections of Land Act.</p>	<p>The local government may declare the land pooling area and shall issue a public notice. (<i>Section 18</i>)</p> <p>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. (<i>Section 74</i>)</p>	<p>Resettlement plan along with the Entitlement Matrix (EM) will be disclosed to all affected persons, in local language and will be posted on the website of the project proponent. The final RP will be disclosed on ADB website as well.</p>
Safeguarding needs of vulnerable groups ¹⁷	<p>Particular attention should be paid to vulnerable groups, especially those below</p>	<p>The Act does not have any especial provision or assistance for vulnerable groups</p>	<p>LPRR does not have any especial provision or assistance for vulnerable groups</p>	<p>Special assistance measures for vulnerable groups will be provided and as per the entitlement matrix in this framework document.</p>

¹⁷ As per ADB SPS the vulnerable households are those living below the poverty line, the landless, the elderly, women and children, indigenous population, those without legal title to land, and transgender people. 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 *Drayangs*, (v) persons practicing risky sexual behaviour, (vi) persons using drugs and alcohol, (vii) persons with

Issues	ADB SPS, 2009	Land Act of Bhutan 2007	LPRR 2018	Measures to Bridge Gaps
	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.			

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>. This Resettlement Framework will consider all the common vulnerable groups identified by ADB SPS and Bhutan Vulnerability Baseline Assessment – 2016 and also, any additional vulnerable group identified by each (ADB SPS and Bhutan Vulnerability Baseline Assessment – 2016).

D. Involuntary Resettlement Safeguard Principles for the Affordable Housing Development Project

32. Acknowledging the gaps in the national legislations and ADB SPS, 2009, the following resettlement principles will be adopted by this project as measures to bridge the gaps.

- (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. Measures to avoid and minimize involuntary resettlement impacts include the following: (i) explore alternative locations and / or alignments which are less impacting, and (ii) ensure the appropriate technology is used to reduce time taken for undertaking civil works.
- (ii) Carry out meaningful consultations with affected persons, host communities, and concerned CSOs. 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 affected persons through strategies aimed at reducing temporary impact on loss of incomes due to construction activities.
- (iv) Provide affected persons (temporary impact during construction) with needed assistance such as support for shifting their carts and stalls to identified locations for continuing commercial activities within the areas, provide access to their business, inform in advance and identify nearby location outside civil work area where commercial activities can be continued.
- (v) Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards.
- (vi) Ensure that temporary impacts on hawkers and street vendors businesses are minimized during implementation and loss of income is minimized by appropriate mitigation measures.
- (vii) Prepare a resettlement plan elaborating on affected persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (viii) 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.
- (ix) 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.

- (x) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xi) 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.

IV. SCREENING AND CATEGORIZATION OF SUBPROJECTS

33. Following the Land Act of Bhutan 2007, the LPRR 2018 and incorporating ADB's Safeguard Policy Statement, 2009, the basic principles for the Project will include elements with respect to each subproject, namely: (i) land acquisition, and other involuntary resettlement impacts would be minimized as much as possible; (ii) any land acquisition and/or resettlement will be carried out and compensation provided in order to improve or at least restore the pre-Project income and living standards of the affected people; (iii) consultation with affected people on compensation options; (iv) payment of compensation for acquired assets at market/replacement rates; (v) payment of compensation for lost land, housing, assets and resettlement allowances in full prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities; (vi) resettlement assistance to Affected persons including non-titled persons (e.g., informal dwellers/squatters, and encroachers) prior to the contractor taking physical acquisition of the land and prior to the commencement of any construction activities; (vii) income restoration and rehabilitation; (viii) establishment of appropriate GRMs to ensure speedy resolution of disputes; (ix) special attention to vulnerable groups; and (x) involvement of women in all activities related to resettlement planning, implementation, and monitoring.

34. Displacement under the sub-projects will be limited to the area required for the subprojects and their safety zones, referred to as the direct impact zone. Only structures and other encumbrances within this zone will be removed for the Program. The total affected persons based on census survey for sample subprojects include 18 HHs (65 members), with physical displacement and/or loss of livelihoods; and 4 HHs (19 members), with loss of minor structures and/or trees. There is one vulnerable household (2 members) among the affected households. The proposed mitigation measures and safeguard planning documents for sample subprojects are adequate to address the assessed impacts. Every effort will be made during the preparation of the detailed design to minimize acquisition of land and other assets and to reduce negative socio-economic impact. Land, structures and assets falling outside the direct impact zone will be left undisturbed. Impacts, unforeseen to the structures or assets outside will also be compensated in accordance to the principles of this resettlement framework.

35. A detailed description of each compensation measure and assistance is provided in the entitlement matrix. The affected households will be entitled to a combination of compensation measures and resettlement assistance, depending on the nature of ownership rights of lost assets and scope of the impact, including social and economic vulnerability of the affected persons.

36. ADB's Involuntary Resettlement Impact Screening Checklist will be adopted for the subprojects. Screening will be conducted immediately after identification of project site. If the screening is done simultaneously when the project site is being identified, then the magnitude of impacts can be estimated and if required alternative options can be examined. This will be done by Design Consultants and submitted to PMU. Based on the ADB's operational Manual Section

F1/Operational Procedures the following criteria for screening and categorization of subprojects will be followed.¹⁸

- (i) **Category A.** A proposed project is classified as category A if it is likely to have significant involuntary resettlement impacts. A resettlement plan, including assessment of social impacts, is required.
- (ii) **Category B.** A proposed project is classified as category B if it includes involuntary resettlement impacts that are not deemed significant. A resettlement plan, including assessment of social impacts, is required.
- (iii) **Category C.** A proposed project is classified as category C if it has no involuntary resettlement impacts. No further action is required.

37. The subproject's involuntary resettlement category is determined by the magnitude of involuntary resettlement impacts. The involuntary resettlement impacts of ADB-supported projects are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The level of detail and comprehensiveness of the resettlement plan will be commensurate with the significance of the potential impacts and risks. For category A and B project, a resettlement plan is required. For category C project, a due diligence report is required.

38. Future subprojects will be selected based on key exclusion and specific safeguards criteria for environment and involuntary resettlement provided in Appendix 10. Subprojects screened and assessed to have significant (category A) involuntary resettlement impacts as per ADB SPS will not be considered under the project. Measures will be undertaken to avoid and minimize involuntary resettlement impacts including, exploring all viable alternative for project designs and alternative sites or locations for project components to ensure that land acquisition and other involuntary resettlement impacts are avoided or minimized. These measures and criteria will be applied and rehabilitation within existing facility premises will be prioritized over new construction so as not to require land acquisition and result in resettlement impacts. Based on thorough survey of all possible site alternatives, project components will be proposed on vacant government land, where available.

V. ELIGIBILITY, ENTITLEMENTS AND BENEFITS

A. Eligibility

39. All affected persons who will be identified in the subproject areas on the cut-off date will be entitled to receive compensation for their affected assets, other benefits, 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 capacity and production levels. Compensation eligibility is limited by a cut-off date which will be the date of detail measurement survey (DMS) and the date of publication of notices under Land Act of Bhutan 2007 and LPRR 2018. The NHDCL will inform the affected persons and other stakeholders about the cut-off date. The written notices will be provided to local market association detailing information about the DMS, cut-off-date, eligibility for compensation, and process for compensation payment.

40. Eligible persons include:

¹⁸ ADB's Operational Manual Section F1/Operational Procedures, issued on 1 October 2013.

- (i) persons who lost land, assets, income in their entirety or in part, who have formal legal rights to the land;
- (ii) persons who will lose the land they occupy in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws, e.g., tenants and leaseholders;
- (iii) persons occupying land over which they neither have legal title, nor have claims recognized or recognizable under national law e.g., sharecroppers, squatters, encroachers, wage labour without formal contracts;
- (iv) vulnerable households,¹⁹ also ADB SPS 2009 recognizes indigenous peoples, ethnic minority households, people living below poverty line²⁰ and non-titleholders as vulnerable groups;
- (v) common property resources (CPR), if any, within direct zone of impact may potentially get impacted.

41. In case of any gap between the national legislation and ADB safeguard policies, ADB SPS, 2009 will prevail. According to ADB SPS, 2009 in the context of involuntary resettlement, affected persons are those who are physically displaced (relocation from housing) or economically displaced (loss of productive land, structures, assets, access to assets, income sources, or means of livelihood).

B. Entitlements, Assistance and Benefits

42. The Project Entitlement policy addresses the potential direct and indirect impacts of project construction and operation on displaced persons, households and communities due to involuntary acquisition, including those that will be acquired through the Land Act of Bhutan 2007 and LPRR 2018. The most direct and immediate impacts are those associated with project construction, mainly land acquisition, loss of livelihood and loss of shelter. Other losses include loss of other assets such as cattle sheds, water sources etc. and common property resources. Mitigation is provided through compensation and assistance to project-displaced persons, households, and group based on this policy framework adopted by the project. The policy provides mitigation for:

- (i) loss of assets, including land and house or work place;
- (ii) loss of livelihood or income opportunities;
- (iii) Collective impacts on groups, such as loss of community assets, common property resources, and others; and
- (iv) Temporary impacts or disruptions due to project construction work.

43. The entitlement matrix (Table 2) is the overall governing document that summarizes the types of possible losses and corresponding entitlements in accordance with ADB SPS and government policies, based on the principle of replacement cost. As per the entitlement matrix for the project, all affected households and persons will be entitled to a combination of compensation packages and resettlement assistance, vulnerability assistance, and measures to support livelihood/income restoration; in addition to the identified impacts, the entitlement matrix safeguards unforeseen impacts.

¹⁹ As defined in the footnote given in page 22 of this report.

²⁰ Below poverty line households: The Poverty Analysis Report (PAR) 2017 makes use of a poverty line, estimated for 2017 at Nu 2,195.95 per person per month. - Bhutan Poverty Analysis Report 2017, National Statistics Bureau (NSB), RGOB and World Bank. http://www.nsb.gov.bt/publication/files/2017_PAR_Report.pdf

44. Damages/unanticipated losses caused during construction, if any, will be eligible for compensation. Such issues will be identified and closely monitored by the Safeguard Monitoring Unit of the PMU. Compensation for damages during construction will be borne by the contractor. Unanticipated losses, if any, will be mitigated / compensated as per the entitlement matrix of this Resettlement Framework. Loss of 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).

C. Cut-off-Date

45. Compensation eligibility is limited by a cut-off date. The date of publishing the preliminary notification by the competent authority under Land Act of Bhutan 2007 or LPRR 2018 would be considered as the cut-off-date for the titleholders. The start date of the census survey during preparation of draft resettlement plan for the subprojects will be considered as the cut-off date for all non-titleholders. NHDCL will document and disseminate the cut-off date information throughout the subproject areas. Any person who purchases or occupies land in the demarcated project area after the cut-off date will not be eligible for compensation or resettlement assistance or both. Similarly, fixed assets (such as, built structures, crops, fruit trees, and woodlots) established after this date or an alternative mutually agreed on date, will not be compensated. The survey presented in any draft Resettlement Plan or safeguard document, prepared during the feasibility stage, will be revised based on detailed design, and the need for additional surveys will be identified.

D. Entitlement Matrix

46. The entitlement matrix for the project based on the above policies is mentioned in Table 2.

Table 2: Entitlement Matrix^a

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
1. Loss of Private Land						
1-a	Loss of private land ^d	Agricultural land, homestead land, mixed land use or vacant plot	Legal title holders of land (including absentee landowners)	<ul style="list-style-type: none"> • Alternative land with equivalent characteristics if the affected land is the only land owned by the Affected Person; or if the Affected Person chooses another land as allowed in the Bhutan's Land Act; • Or Cash compensation at replacement cost of land. • For partial land acquisition, if the residual plot(s) is (are) not viable, any of the following two options are to be given to the affected person, subject to acceptance: <i>Option 1</i>-The affected person remains on the plot, and the compensation and assistance are paid only for the required amount of land to be acquired. <i>Option 2</i> - Compensation to be provided 	<ul style="list-style-type: none"> • If land-for-land is offered, (i) ownership will be in the name of original landowners, or (ii) joint ownership in the name of husband and wife will be offered in case of non-female headed households. • Payment of all fees, stamp duties, taxes, and other charges, as applicable under the relevant laws, incurred in registration /transfer will be limited to those for land purchased within a year of receipt of compensation amount (for loss of land) and for a value not exceeding the compensation amount. 	<ul style="list-style-type: none"> • The PAVA will determine compensation as per the procedures outlined in the Act and LPRR. • PMU will ensure provision of notices. Project implementation unit (PIU) with support of Design Consultants will verify the extent of impacts through a 100% survey of affected persons, determine assistance, and identify vulnerable households.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>for the entire plot including residual part if the owner of such land wishes that the residual plot should also be acquired by the executing agency.</p> <ul style="list-style-type: none"> • One-time transitional allowance^e (equivalent to Nu.3,500 for a period of 6 months) per affected family^f to be confirmed and finalized by the project management unit (PMU) or the implementing agency • Compensation for fruit trees, trees of timber value, perennials crops: Compensation for trees based on timber value at market price, and compensation for perennial crops and fruit trees at annual net product market value multiplied by remaining productive years; compensation for crops based on market price, and for timber and fruit trees 		

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>and crops, labour costs and input costs; to be determined by the Property Assessment and Valuation Agency (PAVA). (refer to endnote b)</p> <ul style="list-style-type: none"> • Gaps, if any between compensation determined as per PAVA rate and replacement cost will be covered through compensation added to resettlement allowance • In the event transportation/shifting is involved, one-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU.^g • Provision of 6 months advance notice. • Notice to harvest standing seasonal crops. • All fees, stamp duties, taxes, and other charges, as applicable under the relevant laws, incurred in the relocation and rehabilitation process, 		

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>are to be borne by the implementing agency. (Absentee landowners are entitled to all compensation valued at the time land acquisition civil works is initiated. If they cannot be compensated, the amount will be placed in an escrow account.)</p>		
1-b	Loss of private land	Agricultural land, homestead land, mixed use, or vacant plot	Tenants and leaseholders, sharecroppers (with or without written tenancy/lease documents) or any non-titleholder	<ul style="list-style-type: none"> • Reimbursement of rental deposit or unexpired lease. • Compensation at full replacement cost for lost assets, and other improvements made to the land by the affected person. • Right to salvage material from structure improvements and other assets constructed by the affected person at no cost. • Lumpsum rental assistance for 3 months (equivalent to Nu7000^h per month for 3 months); amount to be confirmed and finalized by PMU or the implementing agency. 	<ul style="list-style-type: none"> • Landowners will reimburse tenants and leaseholders land rental deposit or unexpired lease and will provide proof of such reimbursement to the project. • Vulnerable households will be identified during the census. • Harvesting prior to acquisition will be accommodated to the extent possible. • Work schedule will avoid harvest season. 	<ul style="list-style-type: none"> • PIU will confirm land rental/lease and ensure tenants and lease holders receive reimbursement for land rental deposit or un-expired lease. • PMU though PIU will ensure provision of notice.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<ul style="list-style-type: none"> • In the event transportation/shifting is involved, one-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • Provision of 6 months advance notice. Notice to harvest standing seasonal crops. If notice cannot be given, compensation for loss of crops will be provided. 		
2. Loss of Government Land						
2-a	Loss of Government land	Vacant plot, Agricultural land, homestead land	Leaseholders/ Legal user/sharecropper	<ul style="list-style-type: none"> • Compensation for unexpired lease (if applicable) amount to be ascertained by PAVA. • Compensation for any investment made on the land by the land user at full replacement cost. • One-time transitional allowance (refer to endnote e) (equivalent to Nu 3,500 for a period of 6 months) per affected family (refer to endnote f) to be confirmed and finalized by the project 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	PMU through PIU will ensure provision of notice. PIUs will identify vulnerable households.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>management unit (PMU) or the implementing agency</p> <ul style="list-style-type: none"> • In the event transportation/shifting is involved, one-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU (refer to endnote g) • Provision of 6 months advance notice. • Additional assistance for vulnerable households (refer to #6 in this matrix). 		
2-b	Loss of Government Land	Government land	Non-title holders (Encroachers and Squatters)	<ul style="list-style-type: none"> • Non-title holder affected persons will be given 6 months advance notice to remove their assets. • Compensation for any investment made on the land by the land user at full replacement cost. • Notice to harvest standing seasonal crops. If notice cannot be given, compensation for loss of crops will be provided. • Right to salvage material from 	<ul style="list-style-type: none"> • The start date of the census survey will serve as the cut-off date for non-title holders. • Vulnerable households will be identified during the census. 	PMU through PIU will ensure the provision of notice. PIUs will identify vulnerable households with the assistance of project management consultant (PMC).

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>demolished structure at no cost.ⁱ</p> <ul style="list-style-type: none"> • In the event transportation/shifting is involved, one-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • Additional assistance to vulnerable households (refer to # 6 in this matrix). 		
3. Loss of Residential Structures						
3-a	Loss of residential structure	Residential structure and other assets ^j	Legal titleholders	<ul style="list-style-type: none"> • If a house is lost, every effort will be made by the project to ensure that a new house is made available before affected people are required to be relocated. • Compensation for loss of structure at replacement cost of the structure will be provided, calculated without depreciation as per the latest prevailing Bhutan Government's Basic Schedule of Rates (BSR) adjusted for 	<ul style="list-style-type: none"> • The area of dwelling unit to be provided will be decided by the executing agency and PMU. • Compensation includes all taxes and fees. • The subsistence allowance should be calculated and ascertained based on the prevailing rates of renting out a similar kind of structure (that is impacted). • Vulnerable households will be 	<ul style="list-style-type: none"> • PAVA will verify replacement value. • PMU and PIU will verify the extent of impacts through a 100% survey of affected households and determine assistance, verify, and identify vulnerable households.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>inflation from the year of publication.</p> <ul style="list-style-type: none"> • Where the loss of structure is partial and the remaining structure is unviable, compensation will be based on the total structure and benefits will be given as mentioned in this section. • One-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • If an alternate housing cannot be provided, a monthly rental allowance will be provided (amount equivalent to Nu 7000 (refer to endnote h) per month) for 3 months to be confirmed and finalized by PMU/PAVA. 	<p>identified during the census.</p>	
3-b	Loss of residential structure	Residential structure and other assets	Private tenants and leaseholders	<ul style="list-style-type: none"> • A monthly rental allowance will be provided (amount equivalent to Nu 7000 [refer to endnote h] per month) for 2 months to be 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. 	<ul style="list-style-type: none"> • PAVA will verify replacement value. • PMU, PIU will verify the extent of impacts through 100% surveys of affected

SI. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>confirmed and finalized by PMU/PAVA</p> <ul style="list-style-type: none"> • One-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • 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, erected by tenants at no cost. • Additional compensation for vulnerable households as specified in item #6 of this entitlement matrix. 		<p>households determine assistance, verify, and identify vulnerable households.</p>

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
3-c	Loss of residential structure	Residential structure and other assets	Government employees who are tenants / leaseholders of government buildings	<ul style="list-style-type: none"> • One-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • 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, erected by tenants at no cost. • Additional compensation for vulnerable households as specified in item #6 of this entitlement matrix. 	<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.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
3-d	Loss of residential structure	Residential structure and other assets	Non-title holders	<ul style="list-style-type: none"> • Non-titleholders (squatters and encroachers) will be given 60 days advance notice to remove their assets. • Compensation for affected structures at replacement cost calculated as per the latest prevailing Bhutan Government's BSR without depreciation • Right to salvage materials from structure and other assets at no cost. (refer to endnote i) One-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • A monthly rental allowance for a period of 3 months from the date of award will be provided (amount equivalent to Nu 7000 [refer to endnote h] per month for 3 months). • Additional assistance to vulnerable households as 	<ul style="list-style-type: none"> • Non-titleholders will be eligible for compensation when they are found residing at the land on cut-off date. • Vulnerable households will be identified during the census. 	<ul style="list-style-type: none"> • PIU with support of PMU will verify the extent of impacts through 100% census survey of affected persons/ households, determine assistance, and identify.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				specified in item #6 of this entitlement matrix.		
4. Loss of Commercial Structures						
4-a	Loss of Commercial Structures and other structures	Commercial structure and other assets	Legal titleholders	<ul style="list-style-type: none"> • Compensation for loss of structure at replacement value of the structure will be provided, calculated without depreciation as per the latest prevailing Bhutan Government's BSR adjusted for inflation from the year of publication. • Where the loss of structure is partial and the remaining structure is unviable, compensation will be based on the total structure and benefits will be given as mentioned in this section. • Provision of 6 months advance notice. • Right to salvage material from the demolished structure at no cost. • All fees, taxes and other registration charges incurred for the replacement 	<ul style="list-style-type: none"> • Compensation accounts for all taxes and fees and does not account for any depreciation. • Vulnerable households will be Identified during the census. 	<ul style="list-style-type: none"> • PAVA will determine replacement value. • PIU with support of PMU will verify the extent of impacts through 100% census survey of affected persons/households to determine the compensation package.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				structure shall be borne by the implementing agency.		
4-b	Loss of Commercial Structures	Commercial structure and other assets	Tenants and leaseholders	<ul style="list-style-type: none"> • Rental allowance will be provided at the prevalent rate of the area (equivalent to Nu 7000) on a square feet basis equivalent to the space lost, for a period of 3 months. • One-time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • Any advance deposited by the tenant to the landlord will be deducted from landlord/owner's total compensation package on submission of documentary evidence. • Provision of 6 months advance notice. • Right to salvage material from demolished structure, erected by tenants. (refer to endnote i) 	<ul style="list-style-type: none"> • Land/structure owners will reimburse tenants and leaseholders the land rental deposit or unexpired lease and provide proof of such reimbursement to the PIU. • Vulnerable households will be identified during the census. 	<ul style="list-style-type: none"> • PIU/PMU will verify the extent of impacts through a 100% survey of affected persons to determine assistance, verify and identify vulnerable people/households following the detailed design.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<ul style="list-style-type: none"> • Replacement cost of part/whole of structure constructed by the tenant/leaseholder, and this will be deducted from the compensation amount of the owner. 		
4-c	Loss of Commercial Structures	Commercial structure and other assets	Non-title holders (encroachers and squatters)	<ul style="list-style-type: none"> • Non-title holders (squatters and encroachers) will be given 60 days advance notice to remove their assets. • Compensation at replacement cost of structure constructed by the non-titleholders without depreciation. • Right to salvage materials from structure and other assets at no cost. • One time transportation/shifting allowance (up to Nu10,000) to be determined by the PMU. (refer to endnote g) • Additional assistance to vulnerable households as specified in item #6 of this entitlement matrix. 	<ul style="list-style-type: none"> • Non-Titleholders will be eligible for compensation when they have a commercial structure on the cut-off date • Vulnerable households will be identified during the census. • Transportation/shifting costs will be determined based on local transportation rates and the distance. 	<ul style="list-style-type: none"> • PIU/PMU will verify the extent of impacts through a 100% survey of affected persons/households to determine assistance verify and identify vulnerable people/ households.
5. Loss of Livelihood						

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
5-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.^k • Preference for employment opportunity for affected persons in the project construction 	<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 ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>work, if so desired by them.</p> <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. 		
6. Impact on Vulnerable Affected Persons (APs)						
6-a	Impacts on vulnerable affected persons ^l	Affected due to land acquisition or involuntary resettlement or both	All vulnerable APs both legal titleholders and non-title holders. (owners, tenants, leaseholders, encroachers, squatters, hawkers, vendors, sharecroppers, wage labour etc.)	<p>1. Permanent Impacts</p> <ul style="list-style-type: none"> • Loss of land or structure or livelihood: Further to item 1,3,4,5^m • Vulnerable affected persons will be given priority in employment in the project construction and project operation activities. • In case employment cannot be provided, additional one-time vulnerability assistance (amount 	<ul style="list-style-type: none"> • Vulnerable households will be identified during the census. • Vulnerability assistance amount to be paid will be decided by the PMU and PIU 	<ul style="list-style-type: none"> • PIU with the support of PMU will verify the extent of impacts through a random interview of vulnerable affected persons/ households. • PIUs will conduct a training need assessment in consultation with the displaced persons to develop appropriate income restoration schemes.

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>equivalent to Nu 20,000) per affected household will be paid. This will be over and above the other assistance given in this framework</p> <ul style="list-style-type: none"> • In case of permanent loss of livelihood, provision for skills training to any one member of the household as specified in #5-a. <p>2. Temporary Impacts</p> <ul style="list-style-type: none"> • Vulnerable affected persons will be given priority in employment in project construction work, in addition to compensation for income loss. 		<ul style="list-style-type: none"> • Suitable trainers or local resource persons will be identified by PIUs in consultation with local training Institutes. • Contractor will maintain gender disaggregated data on vulnerable persons employed in project construction/ operation work. • PIU will maintain records of vulnerable persons provided skill training.
7. Temporary Impacts						
7-a	Temporary loss of land	Land temporarily required for project construction	Legal titleholders; traditional land rights and non-titleholders (tenants, leaseholders encroachers, squatters, sharecroppers, wage labour etc.)	<ul style="list-style-type: none"> • Provision of rent payable to legal titleholders for temporary use of the land for period of occupation. • Restoration of land to previous or better quality. • Compensation for assets lost at replacement value, and trees and crop 	<ul style="list-style-type: none"> • Assessment of impacts if any on structures, assets, crops, and trees due to temporary occupation. • Site restoration. 	PIU will supervise and monitor the impact caused and the Contractor will be responsible to site restoration

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<p>loss in accordance with item #1 and #5 respectively.</p> <ul style="list-style-type: none"> In case the land has become permanently unfit for the purpose it was used before, it shall be acquired in accordance with item #1. 		
7-b	Structures temporarily required for project activities	Structures in the right of way	Legal titleholders/ nontitle holders including building owners, tenants, informal settlers, licensed or non-licensed vendor.	<ul style="list-style-type: none"> Advance notice of at least 60 days to remove trees and 6 months' notice to harvest fruit trees. Assistance to shift to nearby alternate sites for continued daily activities e.g., economic activity, children's schooling, etc. Contractors to provide assistance to the affected persons to nearby location with transportation support. Assistance to shift back once construction is complete to be provided by the contractors (transportation support). Compensation for damaged assets at replacement cost without depreciation. 	<ul style="list-style-type: none"> National Housing Development Corporation Limited (NHDCL, [PMU/with support of PIU]) will identify alternative site and help in shifting to the alternative site and back to the original place. Replacement cost for damaged assets as determined by the PIU, with the assistance of PMU will be provided by the contractor. Arrangement by the contractor on the activities to be taken up. The Contractors will take necessary measures to reduce any impact on structures during construction. 	

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				<ul style="list-style-type: none"> Rental allowance as per the prevalent rate (equivalent to Nu7000 [refer to endnote h]) to cover the duration of project construction activities, (if the affected person is not able of carry out his/her livelihood activities as original place during construction. 		
8. Temporary disruption of livelihood						
8-a	Temporary Loss of Livelihood	Commercial activities	Legal titleholders tenants, leaseholders, and nontitle holders, (encroachers/ squatters,), workers/employee engaged with the business units, wage labour etc.	<ul style="list-style-type: none"> 60 days advance notice regarding construction activities, including duration and type of disruption. For construction activities involving unavoidable disruption, cash assistance based on the net income from the affected business or daily minimum wage rate as specified by the government for the loss of income/livelihood for the period of disruption, whichever is more For construction activities involving disruption for a period of more than a month, 	<ul style="list-style-type: none"> Identification of alternative temporary sites to continue economic activity for the said duration of disruption. The start date of census survey and DMS will serve as the cut-off date for the non-titleholders. PIU will ensure that civil works will be done in phases to minimize disruption through construction scheduling in coordination with the contractors and Contracts. 	<ul style="list-style-type: none"> The rental value and duration of lost income will be determined through survey and consultation with Affected persons. A photograph of the status prior to occupation to be made by the PIU. PMU/PIU will ensure that the compensation is paid prior to handing over of site to the owner. PIU will ensure that civil works will be done in phase by phase to minimize disruption through construction

Sl. No.	Type of Loss	Application	Definition of Entitled Person ^b	Compensation Policy ^c	Implementation Issues	Responsible Agency
				provision of alternative sites for hawkers and vendors for continued economic activities.		scheduling in coordination with the contractors.
9. Loss of Common Property Resources						
9-a	Loss and temporary impacts on common resources	Common Property Resources ⁿ	Communities/user groups (formal/informal) government agencies	<ul style="list-style-type: none"> • Replacement or restoration of the affected community facilities such as irrigation facilities, cultural resources, temples, shrines, bus shelters, etc. • Restoration of access/provision of alternative access to common facilities/resources. • Enhancement of community resources in areas with major impacts on common resources. 	<ul style="list-style-type: none"> • The scope of work of the contractor should include the restoration of common sources if affected during project implementation. 	<ul style="list-style-type: none"> • Project contractor should restore or enhance the common property resources. • PMU and PIUs to ensure and monitor civil work.
10. Any Other Unanticipated Impact						
10-a	Any other loss not identified ^o			<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 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.
- ^b 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.
- ^c 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.
- ^d The Land Act of Bhutan 207 mentions that land occupied by religious monuments shall be avoided. (*Section 146*)
- ^e The one-time transitional allowance to be confirmed and finalized by the PMU. The PMU's land and asset valuation committee will determine the transitional allowance.
- ^f 'Affected Family' includes a person, his or her spouse, minor children, minor brothers and minor sisters or any other dependent on the household head. Widows, divorcees, and women deserted by families shall be considered a separate family. An adult of either gender with or without spouse or children or dependents shall be considered as a separate family.
- ^g 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.
- ^h The primary socioeconomic survey conducted in three project towns in 2021 indicate that average rentals paid by households in three sample towns is Nu6,957. This is rounded off to Nu7,000.
- ⁱ Right to salvage materials if structure is built by the Affected Person.
- ^j Other assets include, but are not limited to boundary, fences, sheds, wells, etc.
- ^k 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.
- ^l According to the Bhutan Vulnerability Baseline Assessment–2016 report by Gross National Happiness Commission Secretariat, Royal Government of Bhutan, and United Nations Development Programme, 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> ADB Safeguard Policy Statement 2009 defines vulnerable households as those living below the poverty line, the landless, the elderly, women and children, indigenous population, and those without legal title to land. The poverty line in Bhutan has been established at Nu2,195.95 per person per month. Source - Poverty Analysis Report 2017. This will be adjusted for inflation until the year of compensation payment, to determine below poverty line (BPL) status of affected household.
- ^m In case entitlements provided under this loss category (#6a) are already covered under preceding loss categories (#1,3,4,5), the entitlement of higher value shall be applicable. Any additional entitlement type mentioned in this loss category (#6a) for vulnerable persons, will be provided above and beyond these.
- ⁿ Types of common property resources include temples, statues, and public toilets etc. Replacement or restoration of the affected common facilities shall be in areas identified in consultation with affected communities and relevant authorities, to the levels of pre-disturbance or better.

VI. SOCIO-ECONOMIC INFORMATION AND RESETTLEMENT PLAN PREPARATION

A. Surveys

47. For proper rehabilitation of affected persons, social impact assessment (SIA) surveys will be undertaken in each subproject location. The PIUs with the assistance of Design Consultants and under the guidance of PMU will undertake survey work for the subprojects based on technical designs of the subproject identified. The SIA will help in determining the magnitude of displacement, prospective losses, better targeting of vulnerable groups, ascertaining actual costs of resettlement, preparing and implementing a rehabilitation program. As part of the social impact assessment, the project will identify individuals and groups who may be differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where such individuals and groups are identified, targeted measures will be proposed and implemented so that adverse impacts do not fall disproportionately on them and they are not disadvantaged in relation to sharing the benefits and opportunities resulting from development. The purpose of the census is to register and document the status of the potentially affected population²¹ within the sub-project impact area/impact zone. The census will cover 100 percent of affected persons. The census will provide a demographic overview of the population and will cover people's assets and main sources of livelihood.

48. Socio-economic surveys (SES)²² of persons facing negotiated land purchase or those donating land will be undertaken as part of due diligence, to establish their socio-economic profile and willingness. Such surveys will be undertaken by the concerned PIU with the support of Design Consultants.

49. Detailed measurement of road width, marking of proposed pipe alignment or pit location, as applicable, and extent of excavation will be undertaken to ascertain impact/loss and identify affected persons to be surveyed.

50. The methodology for conducting census and data collection for a baseline socioeconomic study as part of the SIA is as follows:

- (i) Identify potential displaced families and local Civil Society Organization (CSO) or community-based organization (CBO) at the project area and carry out preliminary consultation with them.
- (ii) Prepare SIA data collection and consultation format and test run these during preliminary consultation survey.
- (iii) Before commencement of census, the SIA survey team identifies and marks the affected household structures and community resource structures, if any.
- (iv) Identifies site locations on land revenue maps/drawings for land to be affected. In case of revenue map/sketches, reference can be drawn from Google maps to

²¹ The potentially affected population will include both the titleholders and the non-titleholders within the project impact zone. The identification of non-titleholders would be based on legal documents. In the absence of any supporting legal documents, the information by the community, village councils or local authority will be considered.

²² The project will follow the COVID-19 guidance and protocols of Royal Government of Bhutan and ADB. ADB has shared the guidance notes with its executing and implementing agencies in the DMCs, including the executing and implementing agency for GRAHSP. <https://www.adb.org/documents/series/covid-19-asia-pacific-guidance-notes> and <http://www.moh.gov.bt/covid-19-strategies-protocols-and-guidance/>

compare potential sites. During land identification (vacant or under cultivation), assistance from revenue officials/staff should be sought for clarifying plot details, such as use, ownership, and legal issues, if any. A census of 100% potentially displaced households and a baseline sample socioeconomic survey (SES) will be conducted with the support of DMS drawings/maps of the project sites/alignments and land revenue maps/sketches for verification of the sites/alignments to be affected. The samples for SES should be representative of all sections of society within the project impact zone. Inventory of all assets with potential impact, including status of land ownership with documents in favor of ownership status, leasehold and tenancy will be made during census to measure quantum of loss. Assessment of incomes and livelihoods likely to be affected should be a major component of the survey. Identification of vulnerable people/groups who are disproportionately affected will be made. Gender issues will be highlighted to identify gender concerns with respect to the project, and benefits and adverse impact, if any, will be brought to the fore.

- (v) A census cut-off date will be established for eligibility of entitlement. Information regarding the cut-off date will be documented and disseminated throughout the project area. The date of publishing the preliminary notification by the competent authority under Land Act of Bhutan 2007 or LPRR 2018 would be considered as the cut-off-date for the titleholders. The start date of the census survey during preparation of draft resettlement plan for the subprojects will be considered as the cut-off date for all non-titleholders.
- (vi) During the census and SES, group discussions should be held with specific sections of the society/community with focus on women, indigenous people, Below Poverty Line (BPL) families, community-managed CPR, youth, and senior citizens. Key persons of the locality, like urban local body (ULB) officials (*thromde* officials), *Thromde thuemis* (town/business representatives), and land revenue officials should be interviewed for in-depth views and information.
- (vii) All these data will be *collected* and analyzed to *form the basis* of SIA. An inventory of lost assets and list of potential displaced families/persons will be prepared and constitute an important document of the resettlement plan. The SIA survey and preparation of the report will be supervised and monitored by ULB. Land acquisition proposal will contain revenue drawing showing details of the areas/plots and will be marked on the maps; and
- (viii) After finalization of the SIA report based on census, resettlement plan will be prepared, as required, by PMC.

B. Formulation of Resettlement Plans

51. The PIU with the assistance of Design Consultants and the design, build and operate (DBO) contractor will prepare a resettlement plan, if the proposed project will have involuntary resettlement impacts. The resettlement plan will be based on the social impact assessment and through meaningful consultation with the affected persons. A resettlement plan will include measures to ensure that the displaced persons are (i) informed about their options and entitlements pertaining to compensation, relocation, and rehabilitation; (ii) consulted on resettlement options and choices; and (iii) provided with resettlement alternatives. During the identification of the impacts of resettlement and resettlement planning, and implementation, the executing agency will pay adequate attention to gender concerns, including specific measures addressing the need of female headed households, gender-inclusive consultation, information disclosure, and GRM, to ensure that both men and women receive adequate and appropriate compensation for their lost property and resettlement assistance, if required, as well as assistance

to restore and improve their incomes and living standards. The resettlement plan will specify the income and livelihoods restoration strategy, the institutional arrangements, the monitoring and reporting framework, the budget, and the time-bound implementation schedule. An outline of a resettlement plan is presented in Appendix 2.

52. Resettlement plans will be prepared based on the results of the census and socioeconomic survey; the database on affected persons should be completed before resettlement plan preparation. Resettlement plans will be prepared by the PIU through project consultants (PIAC), and in consultation with affected persons, local representatives, and community-based organizations. The PIAC team should include a resettlement specialist familiar with ADB policy and procedures for preparing resettlement plans and with experience in preparing a resettlement plan document in a similar ADB project. In case of contract packages, the Contractor is envisaged to have a Social Supervisor, who will be responsible for joint inspections with design engineers and PIUs, detailed measurement survey (DMS), finalization of inventory of losses, updating and implementation of resettlement plan.

53. The resettlement plan will be disclosed to affected persons and host communities, with the help of the staff in the social and gender cell (SGC) of the PMU, for their suggestions. The resettlement plan will be summarized and translated in local language (*Dzongkha*), and notified to the public, by posters and/or resettlement booklets.

C. Gender Impacts and Mitigation Measures

54. Any negative impacts of a sub-project on female headed households will be taken up on case-to-case basis and rehabilitation of these households will be treated on a priority basis under the subprojects. The resettlement plan will formulate measures to ensure that socio-economic conditions, needs and priorities of women are identified and the process of land acquisition and resettlement does not disadvantage women. The resettlement plan will ensure that gender impacts are adequately addressed and mitigated. Women's focus groups discussions will be conducted to address specific women's issues. Any direct negative impacts of the sub-project on female headed households, who are considered vulnerable under the project, will be taken up on a case-to-case basis and rehabilitation of these households will be treated as a priority under the sub-project. During disbursement of assistance and compensation, priority will be given to female headed households. Joint ownership in the name of husband and wife will be offered in case of non-female headed households. Gender action plan (GAP) will be prepared for the project.

55. Participation of women should be ensured during the subsequent stages of project design and implementation. Female headed households wherever impacted due to the proposed improvements, are covered by adequate compensation based on the entitlement matrix.

VII. CONSULTATION, PARTICIPATION AND DISCLOSURE

56. Consultation, participation, and disclosure constitute an integrated process in the preparation and implementation of a resettlement plan. As required by ADB SPS, 2009 NHDCL will disseminate information to affected persons and consult with them in a manner that is commensurate with the anticipated project impacts on the affected communities. NHDCL will inform and consult with the affected persons on resettlement and compensation options and provide them with project-related information during resettlement planning and implementation. Disclosing information should precede consultation.

57. Comprehensive planning is required to ensure that affected persons, communities, local government, project staff and other key stakeholders interact regularly and meaningful consultation is conducted at all stages of the Project through focus group discussions (FGD), public community meetings, key informant interviews and participation in census and survey. The following are the key stakeholders who will be consulted with at various stages of the program implementation:

- (i) all affected persons, project beneficiaries, including representatives of various sectors such as women, youth, indigenous peoples, elderly, persons with disabilities and other vulnerable groups;
- (ii) decision makers, policy makers, elected representatives of people, community members, eminent citizens etc.;
- (iii) staff of NHDCL who will constitute the PMU, PIU;
- (iv) CSOs, CBOs, faith-based organizations, policy makers, elected local officials, community leaders and members; and
- (v) representatives from concerned local government authority and various government departments, as required.

58. It is envisaged that during program implementation, this consultative process will be carried forward to ensure that the affected population and other stakeholders are informed, consulted, and allowed to participate actively in the development process. This will be done throughout the Program, during preparation, implementation, and monitoring of project results and impacts. During implementation and monitoring, information will be disseminated to affected persons and other key stakeholders in appropriate ways. This information will be prepared in the local language, as required, describing the main Program features including the entitlement matrix.

A. Consultation

59. The objectives of involuntary resettlement safeguards are 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 affected persons and other vulnerable groups. Achieving these objectives requires engaging the affected persons, communities, and key stakeholders in a transparent, public, and deliberative process of participation in planning resettlement. In addition, resettlement plans prepared in consultation with and participation of the affected persons help ensure fewer complaints and potential for legal actions which can slow down project implementation and elevate costs.

60. NHDCL will carry out meaningful consultations with the affected persons, communities, vulnerable groups, and other key stakeholders. The consultation process established for the Project will employ a range of formal and informal consultative methods such as focus group discussions (FGD), public community meetings, and key informant information (KII). To understand the socioeconomic profile of city residents, questionnaires are designed to collect information from individuals. The consultations will be held with special emphasis on vulnerable groups. The key informants during the project preparation phase and resettlement plan implementation are the following:

- (i) heads and members of households likely to be affected;
- (ii) groups/clusters of affected persons;
- (iii) local CSOs and CBOs;
- (iv) government agencies and departments; and

- (v) key project stakeholders, such as women and trader's associations.

61. Resettlement Plans for subprojects will be prepared and implemented in close consultation with stakeholders, particularly with affected households. All affected persons and households will participate in the census of households and individuals located within the Project to register and document the status of the potentially affected population within the impact area for the preparation of resettlement plan. The census will provide basic demographic and socioeconomic data, such as household size, age, gender, (especially of the head of household), ethnicity, occupation, household income, vulnerability and profiles of household assets. It will cover 100% of the potentially affected population within the project impact area. Consultations with affected persons during resettlement plan preparation will ensure that views of affected persons on compensation and rehabilitation measures are fully incorporated while consultations conducted during resettlement plan implementation will further identify assistance required by the affected persons. The most important thing is that the affected households and communities are taken into confidence and meaningful consultation is carried out with them during resettlement plan preparation, implementation, and monitoring resettlement activities

62. The effectiveness of the resettlement and rehabilitation process is directly related to the degree of continuing involvement of those affected by the project. The Social Safeguards and Gender Officer of PMU and PIUs with assistance of PMC safeguards staff will ensure that affected persons and other stakeholders are informed and consulted about the project, its impact, their entitlements and options, and allowed to participate actively in the development process. This will be done particularly in the case of vulnerable individuals and groups, who will be encouraged to choose options that entail the lowest risk. This exercise will be conducted throughout the project life during preparation, implementation, and monitoring of sub-project results and impacts.

B. Information Disclosure

63. NHDCL will disclose relevant information in a timely manner, in an accessible place, and in a form and language that the affected persons can understand. This information can be made available as brochures, leaflets, or booklets in local languages, can be broadcasted in local radio and posted in the local newspapers. The relevant information includes the details of compensation and resettlement options, detailed asset valuation, entitlements and special provisions, timing of payments, displacement schedules and GRM details. For illiterate persons, other suitable communications methods may be used, including pictorial messages and announcements in public places, such as a weekly market. Also, small group meetings will be organized with all shopkeepers at all the project locations. Traffic management and the likely construction schedule as well as impact avoidance and mitigation measures will be discussed with them. Impact minimization measures will also be disclosed. Any suggestions regarding avoidance of peak season/festival season and peak sale hours will be recorded and taken into consideration. In addition to disclosure to the affected persons, NHDCL will submit to ADB the resettlement documents such as draft and final resettlement plan/framework, new or updated resettlement plan (if there is a change in scope or there are unanticipated impacts), corrective action plan (if any) and social safeguards monitoring reports (SSMR) for disclosure on the ADB website.

64. The approved Entitlement Matrix and Resettlement Plans will be placed in the NHDCL Office and offices of local authority, accessible to affected persons. Further, the electronic version of resettlement framework/resettlement plans will be placed in the official website of the PMU. The PMU, PIU along with PMC will continue the consultations, information dissemination and disclosure. The updated and final Resettlement Plans will be disclosed on the website of NHDCL. Project information will be continually disseminated through disclosure of resettlement planning

documents, as and when updated. Information relating to resettlement planning, management, and entitlements for loss of income will be made available in local language and the same will be distributed to affected persons. The consultation process will be continuous, through the project cycle. The project information disclosure leaflet containing the executive summary of the resettlement plan and the entitlement matrix, together with the contact numbers of PMU, PIU, contractor, project engineer and social safeguards personnel and concerned engineer, and grievance redress hotline number will be distributed among affected persons and beneficiaries.

C. Continued Consultation and Participation

65. The extent and level of involvement of stakeholders at various stages of the project from design and throughout the implementation of the project activities will entail opening up the line of communication between the various stakeholders and the project implementing authorities, thereby aiding the process of resolving conflicts at early stages of the project rather than letting it escalate into conflicts resulting in implementation delays and cost overrun. Participation of the local community in decision-making will help in mitigating adverse impacts.

66. Further, successful implementation of the resettlement plans is directly related to the degree of continuing involvement of those affected by the Project. Consultations with affected persons have been proposed during resettlement plan implementation and the NHDCL will be responsible for conducting these consultations.

67. Public consultation and disclosure activities²³ to be followed by NHDCL for the Project as per the following Table 3.

Table 3: Public Consultation and Disclosure Plan

Subproject Phase	Activities	Details	Responsible Agency
Subproject Initiation Phase	Mapping of the subproject area	Subproject area to be mapped, clearly showing survey numbers of titleholders of land/property proposed for acquisition	Project implementation unit (PIU) in co-ordination with local land record/revenue office, under the overall supervision of the Project management unit (PMU).
	Stakeholder identification	Cross section of stakeholders to be identified in order to facilitate their participation in the subproject.	PIUs, under the overall supervision of the PMU.

²³ 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, including the executing and implementing agencies for GRAHSP. (<https://www.adb.org/documents/series/covid-19-asia-pacific-guidance-notes>)

Subproject Phase	Activities	Details	Responsible Agency
	Subproject information dissemination; Disclosure of proposed land acquisition and sub-project details	Leaflets containing information on sub-project to be prepared. Public notice will mention the names and survey nos. of titleholders of land/property proposed for acquisition along with sub-project details. Notice will be issued in local newspapers. Web disclosure on website also proposed.	PIUs in coordination with local government authorities will be involved in information dissemination, under the overall supervision of the PMU. PIUs will be assisted by consultants for leaflet preparation.
	Stakeholder Meetings	Meetings at community/household level with titleholders of affected land/property and their family members during project scoping.	Respective PIUs with local government authorities handling land acquisition or land pooling will facilitate draft land pooling plan to the affected land owners. At least two such meetings should be conducted.
Resettlement Plan Preparation Phase	Socio-economic surveys and social impact assessment	Resettlement framework will be made available in the local government office handling land acquisition / land pooling and PMU office, to be translated in local language.	PMU and PIUs will ensure the availability of resettlement framework.
	Formulating compensation measures and rehabilitation measures	Conducting discussions/ meetings/workshops with all affected persons and other stakeholders	PIUs under overall supervision of PMU will conduct all required discussions/ meetings/ workshops and will invite all secondary stakeholders.
	Disclosure of Resettlement Framework and Resettlement Plan with entitlements and rehabilitation packages	Web disclosure of the resettlement plan. Circulating copies of resettlement plans to All Stakeholders Including Affected Persons, Translating Summary Resettlement Plan in Local Language Before Conducting Final Disclosure Meeting. Conducting Public Meetings for resettlement plan approval by affected persons.	PIU will undertake all activities related to circulation of Resettlement Plan. PIU will arrange public meeting of all Stakeholders With affected Persons for resettlement plan Approval. DSISC/DBO contractor will document all the comments and suggestions made by affected persons and will send it to the PMU along with the resettlement plan.
Resettlement Plan Implementation Stage	Disclosing final resettlement plans Approved by ADB to all important stakeholders	Final resettlement plans reviewed and approved by ADB, to be updated/disclosed on the implementing agency/executing agency's website. The final plans will be disclosed to affected persons and other stakeholders. Ensuring the	Executing agency/PMU and PIUs

Subproject Phase	Activities	Details	Responsible Agency
		availability of copy of the approved resettlement plans and ADB Involuntary resettlement policy at PMU, PIU offices.	
	Consultation with Affected persons during rehabilitation activities	Meetings/discussions will be arranged with Affected persons. Households to identify help required by Affected persons during rehabilitation	PIUs will arrange required meetings/discussions. Designated staff from the SGC, PMU and ESSU PIU will participate while the SGC/ESSU will monitor consultation activities.

VIII. GRIEVANCE REDRESS MECHANISM

A. Common Grievance Redress Mechanism

68. 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.

69. 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 3. 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.

70. **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.

71. **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.

72. **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.

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

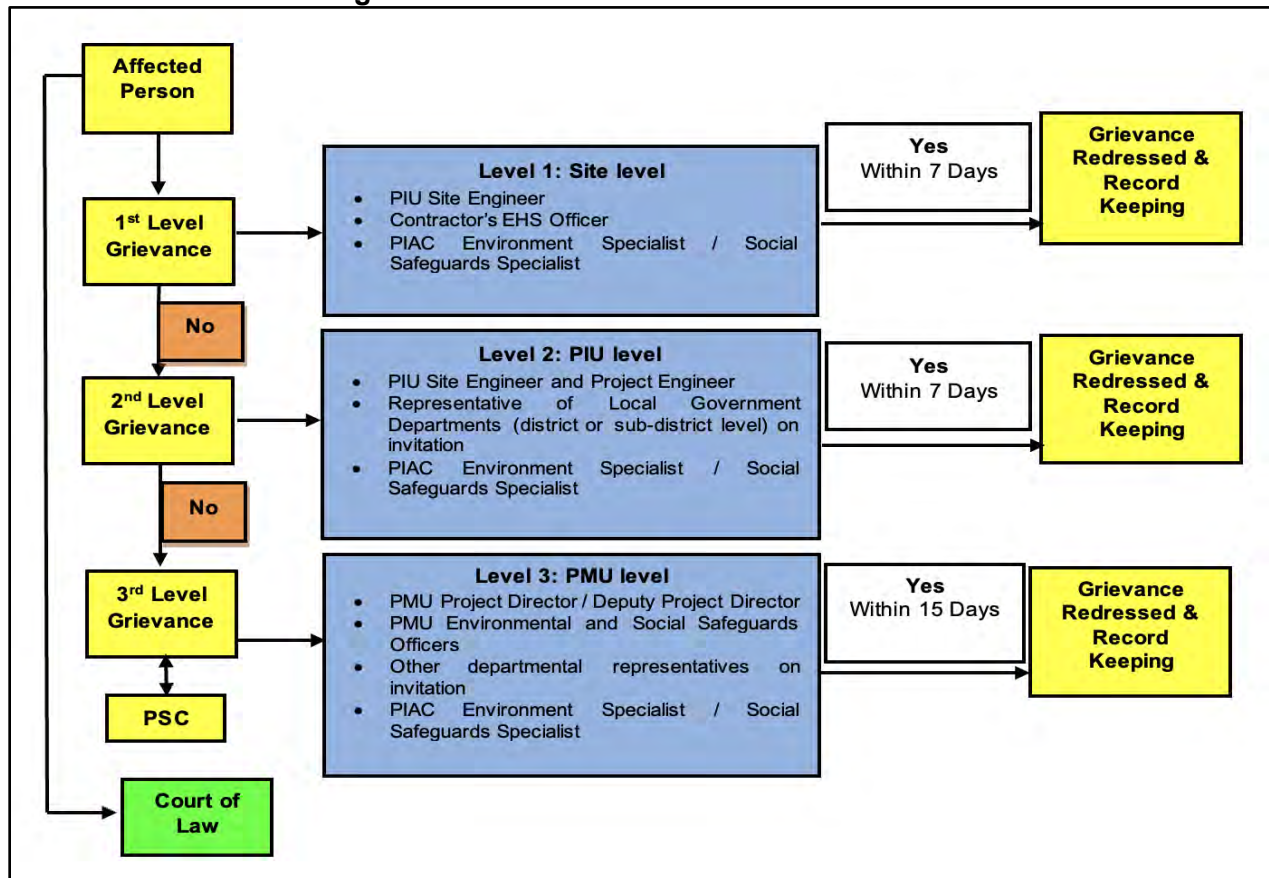
- (i) **1st Level Grievance (Field Level):** In case of grievances that are immediate and urgent in the perception of the complainant, concerned officer of PIU will direct the contractor to resolve the complaint and ensure that it is resolved. If the grievance is not under the contractor's scope, the 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.

74. 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.

75. 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.

76. The process of the project GRM is given in Figure 11.

Figure 11: 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.

77. 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.

78. **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.

79. **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.

80. **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.

81. **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.

82. **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.

83. **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.

IX. COMPENSATION, INCOME RESTORATION AND RELOCATION

A. Compensation

84. Land acquisition and resettlement impacts will be compensated in accordance with the provisions of the entitlement matrix in Table 2. Compensation for loss of land will be determined on the basis of market price or replacement value whichever is higher.

85. The replacement value for the land²⁴ will be determined based on discussions with the landowners by the Property Assessment and Valuation Agency (PAVA) constituted under the Land Act of Bhutan 2007. The Committee will finalize the compensation amount taking into account the findings of a land market survey carried out and the latest compensation rates

²⁴As per the Land Act of Bhutan the valuation of the land and property shall consider the total registered area, registered land category, its current use, location in relation to accessibility to vehicular road, immovable property, local market value, and other elements such as scenic beauty, cultural and historical factors, where applicable. – *Section 151*

published by the Department of Macroeconomic Affairs Property Assessment and Valuation Agency, Ministry of Finance, RGOB.

86. The replacement values for immovable properties, including structures and assets will be arrived at by the PAVA as follows:

- (i) **Houses and Buildings.** The value of the houses, buildings and other immovable properties of the Affected persons will be determined for the purpose of payment of compensation at the current year of relevant Basic Schedule of Rates (BSR) published by the respective state governments or at the replacement rate;
- (ii) **Trees.** Compensation for trees will also be based on their market value in case of timber bearing trees and replacement value in case of fruit bearing trees based on rates fixed by the Department of Agriculture, Forest, Horticulture, Sericulture, etc.
- (iii) **Other Assets.** Compensation for the assets attached with land such as wells, tube wells, pumps, tanks, etc.) will be based on replacement value. The PAVA will estimate this through detailed market surveys.

87. Compensation will be paid and resettlement of affected persons will be completed before taking possession of land/properties and prior to the start of civil works. As per the Land Act 2007, 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.²⁵

88. Assistance for loss of livelihood and assets will be paid to the affected persons as per the Entitlement Matrix. The computation of the loss of livelihood will be determined based on monthly income of the affected persons to be finalized after consultation and socio-economic survey of affected persons. For temporary loss of livelihood, compensation to be provided for the period of disruption.

B. Income Restoration

89. Income restoration schemes will be designed in consultation with affected persons. The strategy for income restoration needs to be prepared prior to land acquisition. Based on the information collected on income restoration activities from the census and the socioeconomic surveys, income restoration strategies will be framed and activities planned. The concerned PIU will consider the available skills, existing professions, resource base of Affected persons and their socio-economic characteristics and preferences to tailor individual income restoration schemes.

90. The basic objective of income restoration activities is to ensure that each affected person will at least have the same or improved income and livelihood after the Project. For the displaced poor and vulnerable groups, the aim is to improve standards of living to at least national minimum standards. Towards this, it is proposed that one member for each of the vulnerable households losing their livelihood, and who has the capacity and willingness to acquire a new set of skills would be eligible for assistance. The PIU supported by PIAC/DBO contractor will, identify the number of eligible families and the individual beneficiaries based on the 100% census of the affected households and a training needs assessment through consultations with the affected persons. The plan for income restoration will be included as part of the micro-plan to be prepared by the PIU. The PIU will frame a list of possible income restoration options in consultation with Affected persons having examined local employment opportunities. Suitable trainers/local

²⁵ Section 158, Land Act of Bhutan 2007.

resources would be identified by the PIU, seeking the assistance of the PMU in identification of local/regional training institutes, if required.

91. Income restoration activities are of two types (i) short-term; and (ii) long-term. Short-term income restoration activities are intended to restore affected person's income in the period immediately before and after relocation focusing on relocation and providing short-term allowances such as (i) subsistence/transitional allowance; and (ii) shifting assistance.

92. Long-term options depend on the degree of disruption to the economic activity. All vulnerable Affected persons would be eligible for income restoration options. These will be derived from detailed socio-economic survey information, conducted as a part of the resettlement plan, and may include provision of income generating assets and/or training to operate them. The time frame will be decided based on the training to be provided, which will also be outlined in the resettlement plan. The PIU will be responsible for provision of these assets and required training, with the help of self-help groups (SHGs), community-based organizations (CBOs), and local institutions if necessary. The resettlement plan budget will reflect the cost of providing income generating assets and training. Strategies for promoting economic recovery of affected persons should also include skill upgrading through training. Project officials will ensure affected persons' access to Government schemes that could help them restore income and livelihoods. Covid-19 safety protocols will be followed for all surveys and consultations.²⁶

93. Key steps to be undertaken in livelihood skill training of vulnerable households and responsibilities of agencies involved would be as follows:

- (i) Identification of affected, vulnerable households through the census survey of affected persons will be undertaken by the designated social safeguards officer of the environment and social unit (ESSU) PIU, supported by PIAC/DBO contractor;
- (ii) Identification of potential trainees and training needs assessment for vulnerable households will require a detailed survey and assessment of literacy/educational level and/or skill sets available with one member nominated by the household for skill training. The needs assessment would also document income from various sources, assets, resources and coping strategies currently used by the household. The strategy would aim at improving/maximizing returns from the present occupation of the principal earning member or taking up a new/supplementary occupation aimed at achieving the right mix of activities in order to enable the household to improve/maintain its living standards. Training needs assessment would be undertaken by the ESSU PIU, assisted by PIAC. Baseline details collected for individual households need to be carefully preserved in order to enable a post-training impact assessment;
- (iii) Identification of Local Trainers/Resource Persons or Training Institutes by the ESSU PIU will depend on the type of skill training required (as identified through the needs assessment survey); Livelihood Skill Training as well as training in budgeting/accounting, micro enterprise development training as well as micro-finance/revolving fund management training will be coordinated by the ESSU PIU, with PIAC's support. Training to suit the aptitude of identified trainees would be imparted. A time frame of a maximum of three months is envisaged for training;

²⁶ 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, including the executing and implementing agencies for GRAHSP. (<https://www.adb.org/documents/series/covid-19-asia-pacific-guidance-notes>)

- (iv) Internal monitoring of training and submission of progress reports will be by the ESSU PIU;
- (v) Special assistance for purchase of equipment/materials will be provided to each affected, vulnerable household. Purchase will be undertaken by the ESSU PIU, with the support of PIAC/DBO contractor. Under this special assistance, implements/equipment like carpentry/plumbing tools etc. as well as raw material for a trade may be purchased; and
- (vi) Post-training impact assessment is proposed to be conducted by an independent agency, a year after project implementation. The household asset base and socioeconomic status would be compared with the pre-program scenario. Indicators would be developed during detailed design stage.

C. Relocation

94. The subprojects will try, to the extent possible, avoid or minimize any displacement or relocation of affected persons in alignment of resettlement framework as per ADB SPS, 2009. In accordance with ADB's SPS, should there be any physical displacement or resettlement, the existing social and cultural institutions of affected persons (resettled populations) and host populations will be supported to the maximum extent possible. Resettled population will be economically and socially integrated into host communities so that adverse impacts on the latter are minimized. Concerns of affected persons and host communities will be understood through consultations and systematically recorded and addressed in the resettlement plan. In addition, benefits of the project will be extended to host communities to ensure integration; the resettlement plan will explain how integration with host populations will be achieved.

95. If physical relocation is required the project will ensure that:

- (i) Shifting assistance, resettlement assistance and subsistence allowance, as required, will be provided to all relocated/physically displaced families;
- (ii) Relocation sites will be disclosed to the affected persons for endorsement, along with their facilities;
- (iii) Affected families can choose between independent or assisted relocation by the project; and
- (iv) Alternate houses will be provided to the affected persons before demolition (if required). In situations when alternate houses are not ready, rental assistance will have to be provided until the alternate house is ready. Relocation has to be completed before the start of project works.

X. BUDGET AND FINANCE

96. Detailed budget estimates for the Resettlement Plan will be prepared by the PIUs, assisted by the PIAC which will be included in the overall Project budget by the PMU. The budget shall include: (i) detailed costs of land acquisition and livelihood and income restoration and improvement; (ii) source of funding; (iii) administrative and staff training; (iv) cost for GRM and consultation/disclosure; (iv) monitoring costs; and (v) costs related to capacity building/strengthening of the PMU/PIUs. All land acquisition and resettlement costs will be borne by the government and provided in a timely manner to ensure payment of all entitlements prior to displacement.

97. The disbursement of compensation will be computed and carried out based on the Entitlement Matrix.²⁷ In the case of assistance, the PIUs will directly pay into the individual accounts²⁸ of affected persons. Joint ownership in the name of husband and wife will be offered in case of non-female headed households. The Social Safeguard personnel of PIU with support from PIAC safeguards staff will be involved in facilitating the disbursement process and rehabilitation program and will facilitate opening bank accounts for the affected persons who do not have bank accounts.

Based on the valuation by the PAVA, the required funds will be deposited by the implementing agency with the land acquisition department who will make payments to the affected persons. Compensation payments against temporary income loss will be disbursed by the PMU, through the Safeguard Unit at PIU level.

XI. INSTITUTIONAL ARRANGEMENTS AND RESPONSIBILITIES

A. Institutional Arrangement

98. 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 agencies²⁹ 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.

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

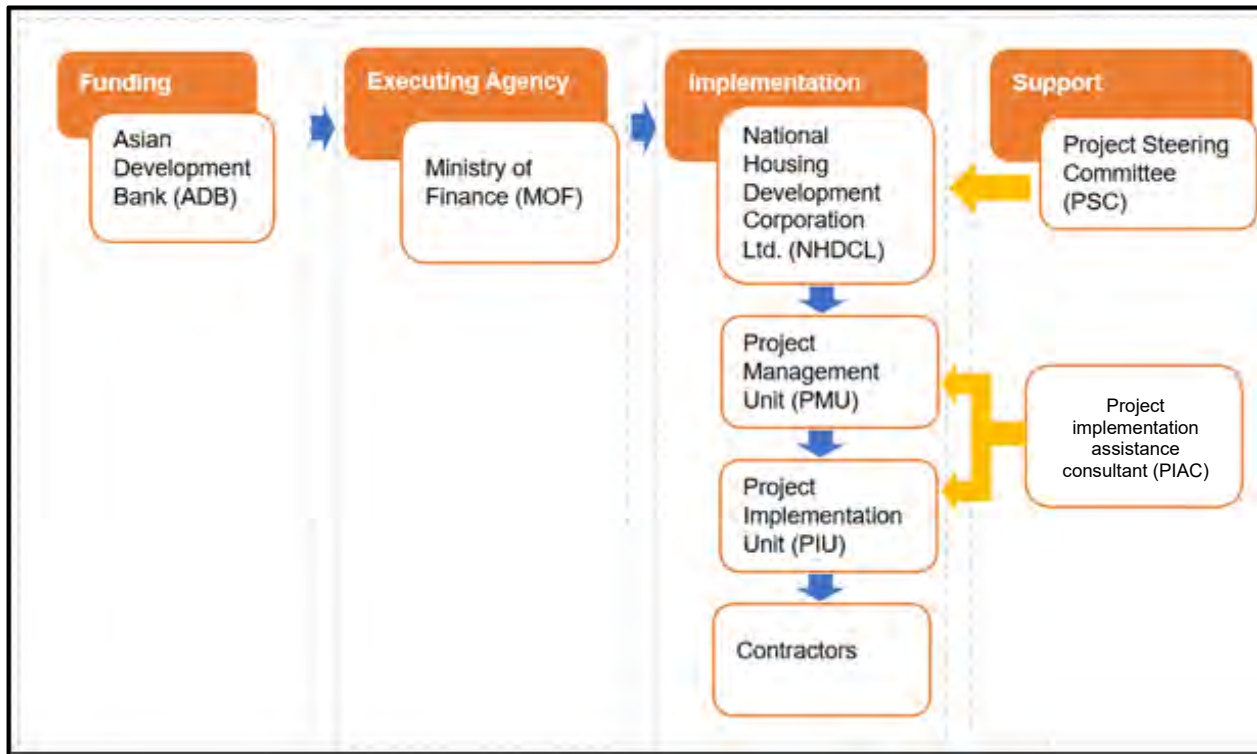
100. The PMU and PIUs will be further supported by a Project Implementation Assistance Consultant (PIAC) in project management and implementation. Figure below details the responsibilities for the project preparation, construction and operation.

²⁷ All entitlements and compensation payment to affected persons will be adjusted for inflation accordingly.

²⁸ If the affected person has no account, the PMU will provide the necessary assistance to open an account.

²⁹ Department of Disaster Management (Ministry of Home and Cultural Affairs); Department of Engineering Services; Department of Geology and Mines; etc.

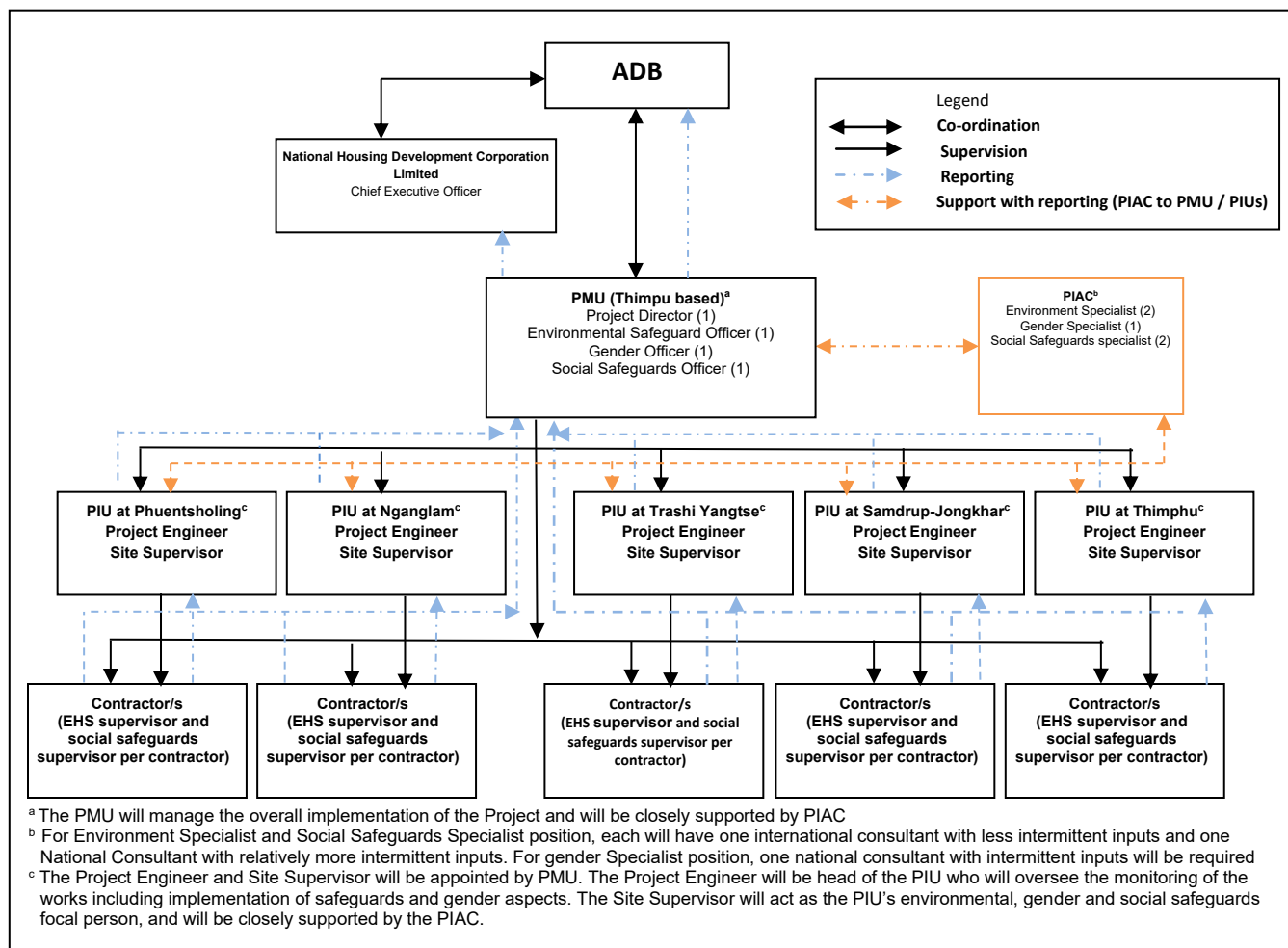
Figure 12: Overall Project Implementation Arrangement



B. Specific Institutional Arrangement for Social Safeguards

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

Figure 13: 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.

102. **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.

103. **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); confirm existing resettlement plans/ DDRs are updated based on detailed designs, and that new subproject resettlement plans/ DDRs 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 are included in bidding documents and civil works contracts;
- (vii) provide oversight on social safeguard management aspects of subprojects and ensure resettlement plans and impact avoidance measures outlined in the resettlement framework/environmental management plan/resettlement plans /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) as per the resettlement framework;
- (xi) review, monitor, and evaluate the effectiveness with which the resettlement plans/ provisions of DDRs 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 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/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.

104. **Project Implementation Unit (PIU).** Five PIUs will be established at each of the subproject towns, 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).

105. **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's;
- (x) Oversee day-to-day implementation of impact avoidance and mitigation measures in resettlement plans /DDR's 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.

106. **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, DDRs. 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.

107. **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.

- (i) Carry out (a) social baseline data collection, (b) assessment of social risks, and (c) meaningful consultations with affected persons;
- (ii) Ensure the contractors comply with the agreed social safeguards frameworks, resettlement plans, and due diligence reports on social safeguards for the project;
- (iii) 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;
- (iv) Assist the PIUs in the implementation of final resettlement plans and gender action plan;

- (v) Assisting with any capacity building activities for stakeholders;
- (vi) Prepare periodic safeguard monitoring reports as per the format acceptable to ADB and quarterly gender action plan updates in format provided in PAM;
- (vii) Collect relevant data on implementation of gender action plan and design gender sensitive communication strategy and IEC materials illustrating key social and behavioural messages related to hygiene, sanitation and health jointly with the communication specialist and in accordance with the gender action plan;
- (viii) 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.

108. **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.

109. 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 labourer 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.

110. 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.

111. 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

112. 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 and need to prepare resettlement plans where earlier no impacts were envisaged and only DDRs prepared.

113. 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.

114. 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 4: 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

115. 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.

116. 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.

117. Owing to the complexity of Projects spread across a large area, there is a need to specially focus on capacity building on social (distinct social, economic and cultural traits and traditions of people and the importance of preserving these, including indigenous knowledge systems, etc.), legal (traditional rights over land and land 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.

118. The specific capacity development program, which will include but will not be limited to:

- (i) sensitization on ADB's policies and guidelines on social and indigenous peoples safeguards (ADB's Safeguard Requirement 2 and 3: Involuntary Resettlement and Indigenous Peoples) including meaningful consultation, GRM and accountability mechanism;
- (ii) introduction to the assessment of involuntary resettlement and indigenous peoples 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/DDR's 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.

XII. IMPLEMENTATION SCHEDULE

119. The process of implementation of resettlement plan is explained in the table below.

Table 5: 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									—	—	—	—

XIII. MONITORING AND REPORTING

A. General

120. 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.

121. 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.

122. 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.

123. 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

124. Monitoring shall be undertaken by the PMU through the assigned officer supported by Project Consultant. 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 Project Progress Report (PPR). 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 PPR 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. Outline of semi-annual monitoring report is in Appendix 5. Table 6 below shows the monitoring indicators that will require to be reported.

125. No subproject that leads to significant impacts resulting in a change in project categorization to Category A will be taken up.

126. The following Table 6 tentatively lists the impact indicators to be studied to evaluate impacts after the program is completed.

Table 6: 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 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 DPs received entitlements according to numbers and categories of loss set out in the entitlement matrix? • How many affected households relocated and built 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 & 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 are 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

127. 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

128. 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.

129. The Project Director shall prepare and send status reports to ADB on RP implementation periodically through the semi-annual social safeguard monitoring reports (the start of SSMR report is six months from date of loan effectiveness) and a final report upon completion of the resettlement program.

130. 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.

131. 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.

132. 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.

Appendix 1: Involuntary Resettlement Impact Categorization Checklist

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				
10. Will people lose access to natural resources, community-owned facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? [] No [] Yes If yes, approximately how many? _____				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? [] No [] Yes				
Are any displaced persons from indigenous or ethnic minority groups? [] No [] Yes				

Note: The project team may attach additional information on the project, as necessary.

Appendix 2: Outline of a Resettlement Plan

The comprehensiveness of a resettlement plan would be according to the potential involuntary resettlement impacts/risks and size of the project. The resettlement plan must adequately address all involuntary resettlement issues pertaining to the project, describes specific mitigation measures that will be taken to address the issues and outlines institutional requirement and resources required for implementation of the Resettlement Plan. The following outline of Resettlement Plan is suggested for the present project.

A. Executive Summary

This section provides a concise statement of project scope, key survey findings, entitlements and recommended actions.

B. Project Description

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

C. Scope of Land Acquisition and Resettlement

This section:

- (i) discuss the project's potential impacts, and include maps of the areas or zone of impact of project components or activities;
- (ii) describes the scope of land acquisition (provide maps) and explains why it is necessary for the main investment project;
- (iii) summarizes the key effects in terms of assets acquired and displaced persons; and
- (iv) provides details of any common property resources that will be acquired.

D. Methodology for Impact Assessment

This section outlines the methodology and tools adopted for:

- (i) resettlement screening
- (ii) land acquisition planning
- (iii) socioeconomic survey
- (iv) census survey or inventory of assets and livelihood loss
- (v) consultation with stakeholders

E. Socioeconomic Information and Profile

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- (i) define, identify, and enumerate the people and communities to be affected;

- (ii) describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- (iv) identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

F. Stakeholders Consultation and Participation

This section:

- (i) identifies project stakeholders, especially primary stakeholders;
- (ii) describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan; and
- (iv) describes the process for consultation with affected persons during project implementation.

G. Legal Framework

This section:

- (i) describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirements; and discuss how any gaps will be addressed;
- (ii) describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (iii) outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes, and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided; and
- (iv) describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

H. Entitlements, Assistance and Benefits

This section:

- (i) defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) specifies all assistance to vulnerable groups, including women, and other special groups; and
- (iii) outlines opportunities for affected persons to derive appropriate development benefits from the project.

I. Relocation of Housing and Settlements

This section:

- (i) describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) provides timetables for site preparation and transfer;
- (iv) describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) describes plans to provide civic infrastructure; and
- (vii) explains how integration with host populations will be carried out.

J. Income Restoration and Rehabilitation

This section:

- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outlines measures to provide social safety net through social insurance and/or project special funds;
- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and
- (vi) describes training programs.

K. Resettlement Budget and Financing Plan

This section:

- (i) provides an itemized budget for all resettlement activities, including for staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation.
- (ii) describes the flow of funds (the annual resettlement budget should show the budget-scheduled expenditure for key items).
- (iii) includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs.
- (iv) includes information about the source of funding for the resettlement plan budget.

L. Information Disclosure

This section:

- (i) describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;

- (ii) confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and
- (iii) describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) during project implementation.

M. Grievance Redress Mechanisms

This section describes mechanisms to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

N. Institutional Arrangements

This section:

- (i) describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) includes institutional capacity building program, including technical assistance, if required;
- (iii) describes role of CSOs, if involved, and organizations of affected persons in resettlement planning and management; and
- (iv) describes how women's groups will be involved in resettlement planning and management.

O. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction and provide land acquisition process and timeline.

P. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan. It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

Appendix 3: Sample Grievance Redressal Form

(To be available in English or other local language)

The NHDCL welcomes complaint, suggestion, query, or comment regarding the project implementation. We encourage any person or group with a grievance to provide their name and contact information to get in touch with you for clarification and feedback.

Should you choose to include your personal details but want that information to remain confidential, please inform us by writing/typing *(CONFIDENTIAL)* above your name. Thank you.

Date		Place of registration			
Contact Information/Personal Details					
Name		Gender	Male Female	Age	
Home Address					
Village / Town					
District					
Phone no.					
E-mail					
Complaint/Suggestion/Comment/Question					
Please provide details of the grievance (who, what, where and how):					

*Note: You may attach a document, letter, or note in the grievance form.					
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)	
If – then mode:	
<ul style="list-style-type: none"> ▪ Note/Letter ▪ E-mail ▪ Verbal/Telephonic 	
Reviewed by: (Name, Signature, Position)	
Action Taken:(Date, Venue of Meeting, Other details)	
Whether Action Taken Disclosed:	<ul style="list-style-type: none"> ▪ Yes ▪ No
Means of Disclosure:	

GRIEVANCE RECORD AND ACTION TAKEN

Sr. No.	Date	Name and Contact No. of Complainant	Type of Complaint	Place	Status of Redress	Remarks

Appendix 4: Sample Monitoring Template

A semi-annual monitoring report shall be prepared on Resettlement Plan implementation and submitted to ADB by the borrower. It will include: (1) **the list of affected persons**, with compensation due if any 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		
A. 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 Entitlement Matrix in resettlement plan		
6	Payment of compensation, allowances and assistance (No. of affected persons)		

S. N.	Resettlement Plan Activities	Completed Y/N	Remarks
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		
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.

Appendix 5: Outline of Semi-annual Social Safeguards Monitoring Report

Following requirements of the ADB Safeguard Policy Statement (2009) and the *Operations Manual* section on safeguard policy (OM F1), borrowers/clients are required to establish and maintain procedures to monitor the status of implementation of safeguard plans and ensure progress is made toward the desired outcomes. For projects categorized as A or B in Involuntary Resettlement and/or Indigenous People, the Borrowers/clients are required to submit semi-annual monitoring reports for ADB review. The level of detail and comprehensiveness of a monitoring report is commensurate with the complexity and significance of social safeguards impacts (involuntary resettlement and indigenous peoples) and with the current status of project implementation phase.

This outline can be used for periodic monitoring report (semiannual) and Resettlement Plan/IPP completion report to start the civil works in the impacted areas. A safeguard monitoring report may include the following elements:

A. Executive Summary

This section provides a concise statement of project scope and impacts, key findings and recommended actions.

B. Background of the Report and Project Description

This section provides a general description of the project, including:

- Background/context of the monitoring report which includes the information on the project, project components, safeguards categorizations and general scope of the social safeguards impacts.
- Information on the implementation progress of the project activities, scope of monitoring report and requirements, reporting period, including frequency of submission and changes in project scope and adjusted safeguard measures, if applicable
- Summary table of identified impacts and the mitigation actions.

C. Scope of Impacts

This section outlines the detail of

- Scale and scopes of the project's safeguards impacts,
- Vulnerability status of the affected people/communities,
- Entitlements matrix and other rehabilitation measures, as applicable, as described in the approved final Resettlement Plan(s) /IPP(s).

D. Compensation and Rehabilitation

This section describes the process and progress of the implementation of the safeguards plan and other required activities as determined in the plan. This includes:

- Payment of the affected assets compensation, allowances, loss of incomes, etc. to the entitled persons;
- Provisions of other types of entitlement as described in the matrix and implementation of livelihood rehabilitation activities as determined in the plan.

Quantitative as well as qualitative results of the monitoring parameters, as agreed in the plan, should be provided.

E. Public Participation and Consultation

This section describes public participation and consultations activities during the project implementation as agreed in the plan. This includes final consultations with affected persons during Resettlement Plan finalization after the completion of detail design; the numbers of activities conducted; issues raised during consultations and responses provided by the project team, implementing CSOs, project supervision consultants, contractors, etc.

F. Grievance Redress Mechanism

This section described the implementation of project GRM as design in the approved Resettlement Plan/IPP. This includes evaluations of its effectiveness, procedures, complaints receive, timeliness to resolve issues/ complaints and resources provided to solve the complaints. Special attentions should be given if there are complaints received from the affected people or communities.

G. Institutional Arrangement

This section describes the actual implementation, or any adjustment made to the institutional arrangement for managing the social safeguards issues in the projects. This includes the establishment of safeguards unit/ team and appointment of staff in the executing agency/implementing agency; implementation of the GRM and its committee; supervision and coordination between institutions involved in the management and monitoring of safeguards issues, the roles of CSO and women's groups in the monitoring and implementation of the plan, if any.

H. Monitoring Results – Findings

This section describes the summary and key findings of the monitoring activities. The results are compared against previously established benchmarks and compliance status (e.g., adequacy of compensation rates and timeliness of payments, adequacy and timeliness of rehabilitation measures including serviced housing sites, house reconstruction, livelihood support measures, and training; budget for implementing EMP, Resettlement Plan, or IPP, or specific action plan, timeliness and adequacy of capacity building, etc.). It also compared against the objectives of safeguards or desired outcomes documented (e.g., Involuntary resettlement impacts avoided or minimized; livelihood restored or enhanced; indigenous peoples' identity, human right, livelihood systems and cultural uniqueness fully respected; indigenous peoples do not suffer adverse impacts, environmental impacts avoided or minimized, etc.). For FI projects this includes the effectiveness of the Environmental and Social Management System (ESMS) managed by the FI and its participating institutions.³⁰ If noncompliance or any major gaps identified, include the recommendation of corrective action plan.

I. Compliance Status

³⁰ Specific for the FI projects, external agency may be required to conduct an audit of the project ESMS.

This section will summarize the compliance status of the project activities with the loan covenants, ADB SPS (2009) on SR 2 and the approved final Resettlement Plan(s).

J. Follow up Actions, Recommendation and Disclosure

This section describes recommendations and further actions or items to focus on for the remaining monitoring period. It also includes lesson learned for improvement for future safeguards monitoring activities. Disclosure dates of the monitoring report to the affected communities should also be included. A time-bound summary table for required actions should be included.

Appendix 1

- (i) List of Affected Persons and Entitlements
- (ii) Summary of Resettlement Plan/IPP with entitlement matrix

Appendix 2

- (i) Copies of affected persons's certification of payment (signed by the affected persons)
- (ii) Summary of minutes of meetings during public consultations
- (iii) Summary of complaints received and solution status

Appendix 6: Social Safeguards Quarterly Progress Report checklist

Activity	Yes / No	Remarks (If Answer Is No)
<i>A. For subproject packages under bidding</i>		
1. RPs/DDR/IPP cleared by ADB?		
2. RPs/DDR/IPP included in the bidding documents?		
3. RP includes cut-off-date?		
4. Are there changes in the scope of work of the cleared RPs/DDR/IPP?		
5. ID cards prepared for APs and distributed?		
6. Are specific actions identified in RP/IPP, if any, that are required of the contractor for impact avoidance or mitigation, incorporated in bid documents?		
7. BOQ line item includes any requirements specified in RP/DDR/IPP?		
8. RP/IPP disclosed in form and language understood by stakeholders and affected persons (APs)?		
9. Consultations with stakeholders and affected persons/IP held?		
10. Is the GRM in place and GRC constituted?		
<i>For subproject packages with contracts awarded (no works yet)</i>		
1. All NOCs/land transfers obtained?		
2. Agreement of sale/transfer and third-party certificate obtained for negotiated settlement/voluntary donation?		
3. All compensation paid in full?		
4. Detailed measurement survey conducted jointly by contractor, project consultant and PMU/PIU?		
5. All community concerns and grievances related to specific sites mitigated through consultations or agreed actions?		
6. All common property resources (CPR, including small shrines, trees of worship etc.) identified and plan for continued access prepared?		
7. Each contractor designated social safeguards and grievance registration officer?		
8. For DBO packages, detailed design completed and updated RP/DDR/IPP submitted to ADB?		
9. For DBO packages, serial no. 1-7 accomplished?		
<i>For subproject packages with contracts awarded and works on-going</i>		
1. Contractors have appointed social safeguards and grievance registration officer per subproject package?		
2. Site-specific signages with date of start and end of construction and contact number for grievances and safety instructions for general public posted onsite?		
3. Grievance registration register available at each work site?		
4. Site fencing/protection works etc. undertaken before start of physical construction work?		

Activity	Yes / No	Remarks (If Answer Is No)
5. Contractors provided PMU/PIU with a notification/incident report of any grievance or unanticipated impact within 24 hours?		
6. Reports of complaints/grievances reported monthly to PMU?		
7. Records of information disclosure/consultations submitted by PIUs to PMU monthly?		
8. Records of site inspection by PIU and DSC submitted to PMU monthly?		
9. Records of site inspection by PMC submitted to PMU monthly?		

Appendix 7: Voluntary Land / Other Donation Agreement Format

Voluntary Land and/or Non-Land Donations

A. Criteria for Voluntary Land and/or Non-Land Donations

Voluntary donation of land by beneficiary households is acceptable where:

- a) The impacts are marginal (based on percentage of loss and minimum size of remaining assets);
- b) Impacts do not result in displacement of households or cause loss of household's incomes and livelihood;
- c) The households making voluntary donations are direct beneficiary of the project;
- d) Land thus donated is free from any dispute on ownership or any other encumbrances;
- e) Consultations with the affected households in conducted in a free and transparent manner;
- f) Land transactions are supported by transfer of titles; and
- g) Proper documentation of consultation meetings, grievances and actions taken to address such grievances is maintained;
- h) Donor families are not categorized as poor or vulnerable.

B. Steps to be followed and measures to be taken by the participating Thromdes and municipalities for voluntary land donation according to ADB SPS, 2009:

- (i) **Step 1:** the land requirement will be explained by the executing and implementing agencies to the potential donor/s. ADB SPS, 2009 Safeguard Requirements 2: involuntary resettlement will also be explained to the interested donor/s. An independent third party (such as an NGO or legal authority) will be engaged who will confirm and assess that the donated land/s, will not bring any significant impact/impoverishment to the donor/s and/or displaced tenants.
- (ii) **Step 2:** the Thromde/Municipality will initiate formalization of land donation by issuing a letter to the interested donor(s) with details of public purpose for which land is required. The donor(s) will then reciprocate by responding to the intent of donation for the state specific purpose. Then the Thromde/Municipality will take necessary legal steps towards formalizing the donation of land.
- (iii) **Step 3:** the deed of Gift/Donation will be registered in the name of the Thromde/Municipality and all necessary fees; stamp duties will be borne by the Thromde/Municipality. Henceforth, the land ownership will be transferred to the Thromde/Municipality and the land record will be revised/amended with the record of rights showing the change in ownership.

C. Sample Voluntary Donation of Land Agreement (can be modified as relevant)

The following agreement has been made on day of Between Mr./Ms., aged, CID No. resident of Thromde/Municipality, district represented by (the owner) and (the recipient/subproject proponent).

1. That the land with Thram No....., and Plot No....., is surrounded from the eastern side by, western side by....., northern side by, and southern side by.....
2. That the Owner testifies that the land/structure is free of squatters or encroachers and not subject to any other claims.
 - 2.1 That the Owner hereby grants to the (name of the recipient) this asset for the construction and development of the for the benefit of the community.
 - 2.2 That the Owner will not claim any compensation against the grant of this asset nor obstruct the construction process on the land in case of which he/she would be subject to sanctions according to law and regulations.
 - 2.3 That the (name of the project proponent) agrees to accept this grant of asset for the purposes mentioned.
4. That the recipient shall construct and develop the and take all possible precautions to avoid damage to adjacent land/structure/other assets.
5. That the provisions of this agreement will come into force from the date of signing of this deed.

.....
 Name and Signature of the Owner Signature of subproject proponent/representative

Witnesses:

- 1..... (Third Party Certifier)
- 2.....

(Signature, name and address)

Include records of consultations with the owners;

Attach map of the area showing location of affected land.

Attach land records before and after donation.

Appendix 8: Third Party Certification Format

This is to certify that Mr./Mrs. _____, (profession, designation, address) is appointed as independent third party to certify the process of negotiated purchase/donation of plot no. _____ area _____ owned/donated by _____ (names of owners), who is a signatory to this certificate. It is also placed on record that none of the signatories to this certificate have any objection to appointment of _____ as third-party witness.

Date: _____

Authorized Signatory, RGoB and land donor:

I, _____ of _____ (address) certify that I was witness to the process of negotiated purchase/land donation (details of plot _____ from _____ (landowners' name).

I certify that:

1. The process of purchase/donation of the said land was transparent; the landowner(s) was/were there happy to sell/donate the land for the welfare of the community;
2. No coercion was used in the purchase/donation process;
3. Land transfer costs (registration fee and stamp duty) were borne by the government and not by the owner/donor;
4. All concerns expressed by the owner/donor as agreed were addressed and no pending issues remain;
5. The following mitigation measures were identified and implemented/provided to the land owner/donor;
6. Attached are the minutes of meetings held between proponents and the landowner/donor, which I was witness to.

(Signed)



Name

Date: _____

Place: _____

Enclose: Minutes of meetings held between landowner/donor and project proponents

Appendix 9: Minimum Wage Rate as per Ministry of Labour and Human Resources, Royal Government of Bhutan

		ལ་མ་གཞི་ལྟ་བུ་ལྟུང་། དུ་མཁའ་དཔལ་ལྟུང་། Ministry of Labour and Human Resources Royal Government of Bhutan			
Minister MoLHR/ EOM/2015-16/649		September 9, 2015			
Circular					
The Ministry of Labour and Human Resources is hereby pleased to announce the revision of the National Workforce wage rates to the following:					
Categories	Existing wage	Revised Wage	Description	Applicable to	
Level I	240	324	Master Craftsperson highly trained and experienced in their craft.	Dozow Lopen, Zopoen, Lhadip lopen, Do and Shing Pata Lopen, Plant Operator Gr I, Lharib Gr I, Auto Mechanic Gr I, Gen Mechanic Gr I, Lineman Gr I, Jangwap Lopen	
Level II	220	286	Semi master craftsperson trained and experienced in their craft	Shing Dzo Gr. II, Lhadip Gr. II, Do and Shing Paap Gr. II, Jangwap Gr. II, Mason Gr I, Plumber Gr I, Plant Operator Gr II, Blacksmith, Lajabs (work supervisor)	
Level III	195	254	Craftsperson having some experience and training in their field and are given responsibility in their work.	Champen, Tshipen, Shing Dzo Gr. III, Lhadip Gr. III, Do and Shing Paap Gr. III, Jangwap Gr. III, Auto mechanic Gr III, Gen mechanic Gr III, lineman, Gr III, mason Gr II, carpenter Gr III, plumber Gr II, auto electrician Gr II, sawyer Gr I, blaster, wireman Gr I, plant operator Gr III	
Level IV	180	234	Workers in this category are semi-skilled with limited	Sawyer Gr II, wireman Gr II, machine operator, sweeper, Champa, Zhabthrap, pazap	



ལས་གཞི་ལྟ་སྟེ།
དཔལ་ལྷན་འབྲེག་གཞུང་།

Ministry of Labour and Human Resources
Royal Government of Bhutan



Minister

			knowledge and skills
Unskilled	165	215	Any Bhutanese hired by the government for project works/ government activities (such as census and land tshogpas, doing errands for government, farmer study tours, court witnesses, NWF, etc.)

These wage rates are applicable only to those Bhutanese employed by government agencies for works executed directly by the agencies. The above rates are also only the minimum rates and do not restrict any employer from paying above the minimum amount.

In addition, the NWF working at an altitude of 8,000 feet or above 2,400 meters shall be entitled to Nu 600/- as high altitude allowance.

This revision is approved as per the 75th and 76th Lhengye Zhungtshog conveyed vide letter No C-3/82/51 dated August 10th, 2015.

The above revised wage rates shall come into force with effect from September 1st, 2015.

Ngeema Sangay Tshempo

Appendix 10: Key Exclusion and Safeguards (Environment and Involuntary Resettlement) Criteria for Subprojects

Subproject will be selected based on key exclusion and specific environment and involuntary resettlement safeguards criteria. Any subproject which does not fully meet the key exclusion and specific safeguards (environment and involuntary resettlement) criteria listed below may be rejected.

Table 1 summarizes the key exclusion criteria while Table 2 summarizes the specific safeguards (environment and involuntary resettlement) criteria.

Table 1: Key Exclusion Criteria

Exclusion criteria includes but is not limited to:	Remarks
(i) Category A subprojects per ADB SPS. Triggers include impacts that are considered diverse, irreversible and unprecedented, and/or subprojects being highly complex and sensitive. ³¹	<ul style="list-style-type: none"> • For future subprojects, efforts shall be exerted by the government to consider only those that do not trigger environmental or involuntary resettlement category A per ADB SPS. In unavoidable circumstances that a future subproject is deemed as environment or involuntary resettlement category A, a major change in scope of the entire project shall be proposed for ADB approval.³² • Bidding and awarding of contracts for such subproject shall not proceed without ADB approval of the proposed major change in scope.
(ii) Activities listed in ADB's Prohibited Investment Activities List (Appendix 5 of ADB SPS). These activities do not qualify for ADB's financing. See Appendix 1 hereof for complete list.	
(iii) Involves components, processes and technologies that pose significant threat to public health and the environment, such as incinerators, etc.	
(iv) Involves work within or near environmentally sensitive locations (must be at minimum distance of 500m), including sites with national or international designation for nature	

³¹ Projects that ADB deems as highly risky or contentious or involve serious and multidimensional and generally interrelated potential social and/or environmental impacts.

³² In a proposed major change in scope due to stricter environmental categorization of a proposed subproject than the approved environmental categorization, ADB Safeguard Policy Statement (SPS), 2009 requires the following: (i) conduct of new environmental impact assessment and prepare an environmental impact assessment (EIA) report; (ii) submit EIA report to ADB for review, which will include a peer-review among relevant departments within ADB; and (iii) disclose on ADB website the new EIA report 120 days prior to the approval by ADB of the proposed major change in scope for the project.

Exclusion criteria includes but is not limited to:	Remarks
conservation, cultural heritage, or any other purposes. ³³	
(v) Results in destruction of or encroachment onto physical cultural resources such as archaeological monuments; heritage sites; and movable or immovable objects, sites, structures, groups of structures, and natural features and landscapes that have archaeological, paleontological, historical, architectural, religious, aesthetic, or other cultural significance.	
(vi) Leads to degradation of cultural properties, and loss of cultural heritage values and tourism revenues.	
(vii) Located in flood zones and/or adjacent to natural water courses (must not be within 30 meters from the edge of major streams, and or within 15 meters from the edge of small streams).	
(viii) Leads to alteration of surface water hydrology of streams/waterways through diversion of flow or reclamation.	
(ix) Located in areas that can cause adverse impact on human health, such as but not limited to the following: <ul style="list-style-type: none"> - municipal solid waste dumps (must be at least 1 km away), - STPs (must be at least 500 m away), - industrial area with polluting industries (must be at least 500 m away or at a distance wherein pollutants will not affect the ambient air quality at the site, whichever is more strict), - high-tension cables (distance must be in compliance with the guidelines of the Bhutan Power Corporation and/or Bhutan Electricity Authority to avoid long term exposure to high electromagnetic fields (EMF)). 	<p>These distances shall be minimum where possible. This restriction may be reviewed depending on site availability and stakeholder consultation, and provision of design measures to ensure impacts of these areas to the housing site is avoided.</p> <p>The distance from high tension cable should ensure that the EMF is reduced to safe exposure level.³⁴</p>
(x) Leads to significant involuntary resettlement impacts ³⁵	

³³ If in the future corresponding development control regulations similar to Thimphu's DCR-2016 is promulgated in future subproject areas, the subprojects shall comply with these local regulations particularly on sanctions pertaining to allowed locations for housing developments.

³⁴ US EPA: Questions and Answers About Electric and Magnetic Fields (EMFs).

³⁵ The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The level of detail and comprehensiveness of the resettlement plan are commensurate with the significance of the potential impacts and risks (OM/F1, para 9).

Table 2: Environmental and Involuntary Resettlement Safeguards Criteria for Housing Development Subprojects

Component	Criteria	Remarks
All proposed housing subprojects / housing complex including all ancillary facilities	Complies with all requirements of relevant national, state and local laws, rules and regulations.	See Section IV of this EARF.
	Complies with all requirements of ADB SPS, 2009 and follow procedures set out in the EARF.	See Section IV of this EARF.
	Complies with all requirements of ADB SPS, 2009 and follow procedures set out in the RF.	See Chapter IV of the RF
	The area shall have sufficient space for all allied infrastructures. If there is no centralized septage management in the town, the area shall have sufficient space for septic tanks/chambers designed to accommodate target number of occupants.	
	Avoid areas with risk of landslides, unstable lands, etc. based on historical data, including geotechnical studies, if possible.	Where there are unavoidable cases due to nature of terrains in Bhutan, geotechnical measures to avoid or minimize these risks should be integrated into the design.
	Avoids removal of trees where possible.	When mature trees must be removed, new trees must be planted following the compensatory replacement required by the government.
	Areas that are included in territorial jurisdiction of the target municipality/town/city, compliant with land use regulations, and any urban development plans or master plans of the national or local government.	Subprojects located in areas not covered by any urban development plan or master plans will require further due diligence if it meets the key exclusion criteria and subscribes to the environmental guidelines for subproject selection.
	Areas where access to basic services can be practically built or established. These basic services include water supply, sewerage system, electricity, telecommunication, sanitation/solid waste management, etc.	
	If areas are outside the periphery of urban centers, these areas should be accessible via public transport and/or have road infrastructures leading to civic centers, markets, institutions such as hospitals, schools, etc.	
	Shall not adversely affect the existing community resources/facilities, such as roads, sanitation services, water supply, solid waste management, power supply, parking spaces, etc.	
Project design shall ensure that the subproject will not lead to depletion of water supply and degradation of	During operation phase, more	

Component	Criteria	Remarks
	<p>groundwater and surface water in the area. The following should be considered:</p> <ul style="list-style-type: none"> - Conservation measures integrated into the design. - Water supply is sufficient during the operation phase. <p>Liaising with water supply provider should be part of the consultation and assessment;</p> <ul style="list-style-type: none"> - Not to overburden the sewerage system and other infrastructures in the area. 	<p>consumption of water supply in the area is expected. However, the level of consumption should not lead to depletion or unsustainable reduction of water supply.</p>
	<p>Avoids significant involuntary resettlement impacts</p>	<p>The involuntary resettlement impacts of an ADB-supported project are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating). The level of detail and comprehensiveness of the resettlement plan are commensurate with the significance of the potential impacts and risks (OM/F1, para 9).</p>

ADB = Asian Development Bank, EARF = environmental assessment and review framework, SPS = safeguard policy statement, RF = Resettlement Framework