

# Social Monitoring Report

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Project Number: 54355-001  
Semi-Annual Report (February - July 2022)  
December 2022

## Bhutan: Green and Resilient Affordable Housing Sector Project

Prepared by the National Housing Development Corporation Limited, the Royal Government of Bhutan, and the Asian Development Bank.

## ABBREVIATIONS

|        |   |
|--------|---|
| ADB    | Asian Development Bank                            |
| BSR    | Bhutan Schedule Rate                              |
| CLS    | Core Labor Standard                               |
| CPTED  | Crime Prevention through Env. Design              |
| CSO    | Civil Society Organization                        |
| DDR    | Due Diligence Report                              |
| DMS    | Detailed Measurement Survey                       |
| EWCD   | Elderly Women Children and Disabled               |
| GAP    | Gender Action Plan                                |
| GBV    | Gender-Based Violence                             |
| GESI   | Gender equality and Social Inclusion              |
| GRC    | Grievance Redressal Committee                     |
| GRAHSP | Green Resilient Affordable Housing Sector Project |
| GRM    | Grievance Redressal Mechanism                     |
| LPRR   | Land Pooling and Re-adjustment Regulation         |
| MOF    | Ministry of Finance                               |
| NCWC   | National Commission for Women and Children        |
| NHDCL  | National Housing Development Corporation Limited  |
| NLC    | National Land Commission                          |
| NGO    | Non-Government Organization                       |
| NKRA   | National Key Result Areas                         |
| NTH    | Non-titled Holder                                 |
| O&M    | Operation & Maintenance                           |
| PAM    | Project Administrative Manual                     |
| PIAC   | Project Implementation Assistance Consultants     |
| PIU    | Project Implementation Unit                       |
| PMU    | Project Management Unit                           |
| PWD    | People with Disabilities                          |
| QPR    | Quarterly Progress Report                         |
| RGOB   | Royal Government of Bhutan                        |
| SHG    | Self Help Group                                   |
| SGAP   | Social and Gender Action Plan                     |
| SOP    | Standard Operating Procedure                      |
| SPS    | Safeguards Policy Statement                       |
| SSMR   | Semi-Annual Social Monitoring Report              |

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## I. EXECUTIVE SUMMARY

### A. Background

1. The Green and Resilient Affordable Housing Sector Project (GRAHSP) will support the government's national priority to improve the livability, safety, and sustainability of human settlements through better access to adequate and affordable rental housing,<sup>1</sup> which will be implemented using the sector loan modality. The project will increase the supply of green and resilient affordable housing in Nganglam, Phuentsholing, SamdrupJongkhar, Samtse, Thimphu, and Trashiyangtse; and benefit about 1,000 lower- to middle-income civil servants and non-civil servants, including marginalized municipal waste workers. The project will also implement the associated infrastructure and facilities, enhance the institutional capacity of the National Housing Development Corporation Limited (NHDCL), and strengthen the housing sector policy and regulatory framework necessary to provide access to land, and leverage the private sector to address the housing supply shortage.

2. The project is aligned with the following impact: livability, safety, and sustainability of human settlements ensured. The project will have the following outcome: access to green and resilient affordable housing for low-income households improved. The outputs are the following: Output 1: Climate- and disaster-resilient, energy-efficient, and affordable housing units and public facilities for low-income households constructed; and Output 2: Institutional capacities, policy, and regulatory framework of the housing sector strengthened.

### B. Project Description<sup>2</sup>

3. To meet the large demand of housing units in the country NHDCL proposes to construct residential buildings in phases, for the marginalized urban workers in Nganglam, Phuentsholing, SamdrupJongkhar, Samtse, Thimphu, and Trashiyangtse. The Phase I construction consists of 1018 units spread over 6 districts and sub-districts.

4. 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 Phuentsholing (Drungpa's residence, Amochu and Sonamgang<sup>3</sup>). 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.

### C. Implementation Arrangements

5. 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 agencies<sup>4</sup> in designing and operationalizing the crèches and in providing the integrated services of the center. A central Project Steering Committee (PSC) set up under the project will facilitate and

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<sup>1</sup>Government of Bhutan, Gross National Happiness Commission. 2019. *Twelfth Five Year Plan, 2018–2023: Just, Harmonious and Sustainable Society through Enhanced Decentralisation*. Thimphu. Affordable housing is defined as the ability for households to meet housing costs within 30% of their gross monthly income.

<sup>2</sup>Resettlement Framework Green and Resilient Affordable Housing Sector Project

<sup>3</sup>Replacing Rinchening

<sup>4</sup>Department of Disaster Management (Ministry of Home and Cultural Affairs); Department of Engineering Services; Department of Geology and Mines; etc.

ensure adequate coordination among relevant stakeholders and provide guidance for the project management unit (PMU) and project implementation units (PIUs) for this proposed Project.

6. The NHDCL will be responsible for executing outputs and monitoring the implementation of each subproject. A dedicated project management unit (PMU) based in the NHDCL headquarters, in Thimphu, and decentralized project implementation units (PIUs) based at each of the selected subproject sites will provide project implementation support.

#### D. Sub-Project Categorization

7. **Involuntary Resettlement (Category B).** The project is classified as *category B* for involuntary resettlement as per ADB's Safeguards Policy Statement (SPS) 2009. The initial survey for sample subprojects indicates that the project will impact a total of 22 households (84 affected persons) consisting of 18 households with 65 members, with physical displacement and/or loss of livelihoods; and 4 households with 19 members, with loss of minor structures and/or trees. Of the total affected household, one household (2 members) are assessed to be vulnerable.

8. **Indigenous Peoples (Category C).** There is no presence of indigenous peoples or indigenous communities, as described in SPS, 2009, in the project area. Hence, no impacts to any indigenous peoples or indigenous communities are anticipated.

#### E. Scope of the Report

9. The scope of the semi-annual social safeguard monitoring report (SSMR) is to present the periodic update of the project implementation status in compliance with the ADB SPS, 2009, in particular as per the approved IR documents - Resettlement Plans (RP) and Due Diligence Reports (DDR). The following are the disclosed links:

**Table 1: List of Social Safeguards Documents Disclosed in ADB Website**

| Towns/<br>Subproject | Type of<br>Docume<br>nt | Draft/Updated                 | ADB Disclosure Links  | Project Website<br>Disclosure Link   |
|----------------------|-------------------------|-------------------------------|---|--|
| Thimphu              | RP                      | Draft<br>(September<br>2021)  | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en_0.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en_0.pdf</a> | http://www.nhdcl.bt/attachment/announcement/Green%20and%20Resilient%20Affordable%20Housing%20Thimphu.pdf                               |
|                      |                         | Updated<br>(November<br>2021) | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en_2.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en_2.pdf</a> | http://www.nhdcl.bt/attachment/announcement/LD21%20Resettlement%20Plan%20Thimpu.pdf  |
| Phuentsholing        | RP                      | Draft<br>(September<br>2021)  | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en.pdf</a>     | http://www.nhdcl.bt/attachment/announcement/Green%20and%20Resilient%20Affordable%20Housing%20phuntsholing.pdf                          |
|                      |                         | Updated<br>(November<br>2021) | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en_1.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-rp-en_1.pdf</a> | http://www.nhdcl.bt/attachment/announcement/LD20%20Resettlement%20Plan%20Phuentsholing%20(Drungpa,%20Rinchending,%20and%20Amochhu).pdf |

| Towns/<br>Subproject | Type of Document   | Draft/Updated           | ADB Disclosure Links  | Project Website Disclosure Link   |
|----------------------|--|-------------------------|---|---|
| Trashiyangtse        | Land Acquisition and Involuntary Resettlement Due Diligence Report | Draft (September 2021)  | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-sddr-en.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-sddr-en.pdf</a>     | <a href="http://www.nhdcl.bt/attachment/announcement/Green%20and%20Resilient%20Affordable%20Housing%20tashiyangtse.pdf">http://www.nhdcl.bt/attachment/announcement/Green%20and%20Resilient%20Affordable%20Housing%20tashiyangtse.pdf</a> |
|                      |  | Updated (November 2021) | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-sddr-en_0.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-sddr-en_0.pdf</a> | <a href="http://www.nhdcl.bt/attachment/announcement/LD23%20Land%20Acquisition%20Due%20Diligence%20Report.pdf">http://www.nhdcl.bt/attachment/announcement/LD23%20Land%20Acquisition%20Due%20Diligence%20Report.pdf</a>                   |
| Nganglam             | Land Acquisition and Involuntary Resettlement Due Diligence Report | Draft (November 2022)   | <a href="https://www.adb.org/sites/default/files/project-documents/54355/54355-001-sddr-en_1.pdf">https://www.adb.org/sites/default/files/project-documents/54355/54355-001-sddr-en_1.pdf</a> | <a href="http://www.nhdcl.bt/attachment/announcement/Green%20and%20Resilient%20Affordable%20Housing%20Nganglam.pdf">http://www.nhdcl.bt/attachment/announcement/Green%20and%20Resilient%20Affordable%20Housing%20Nganglam.pdf</a>         |

Source: ADB Website

10. The report aims to capture (i) critical facts, significant finding, and recommended actions; (ii) capture any adverse impact in terms of Involuntary Resettlement impact or income loss due to loss of access during construction work; (iii) provide information on necessary safeguard methods adopted to avoid, reduce, minimize, mitigate or compensate any adverse impact due to project work; (iii) identify mitigation measures and any residual negative impacts that cannot be avoided; (iv) describe the process undertaken during project design to engage stakeholders and the planned information disclosure measures for carrying out consultation with affected people to facilitate their participation during project implementation; (v) describe the subproject's grievance redress mechanism for resolving complaints; (vi) describe the monitoring measures and reporting procedures to ensure early detection of conditions that necessitate particular mitigation measures; and (x) identify who is responsible for carrying out the mitigation and monitoring measures

11. This report covers Social Safeguard Monitoring, addressing all the issues related to social safeguards with reference to the progress achieved and the current status of reporting period from February 2022 to July 2022.

12. The Project Implementation Assistance Consultant (PIAC), responsible for supporting the PMU and PIUs in project management and implementation was recently engaged (August 2022). Since project activities were still at an inception stage, no field work or consultation was conducted during the reporting period of this SSMR. However, the report captures and presents the social safeguard requirement of the proposed GRAHSP based on available documents i.e., disclosed Resettlement Plans (Phuentsholing and Thimphu), Due Diligence Reports, Project Administration Manual, and Resettlement Framework. Field visit reports and consultation details based on actual findings during the visit conducted at different project sites will be provided in the next SSMR. As per the disclosed resettlement plans and resettlement framework, involuntary resettlement impact has been identified at Phuentsholing and Thimphu and two draft resettlement plans have been prepared and subsequently approved by

ADB and disclosed in the public domain. Both the draft resettlement plans will be further updated during the Detailed Measurement Survey (DMS) after the finalization of the project design.

## II. SUBPROJECT DESCRIPTION<sup>5</sup>

### A. Subproject Components

13. The proposed subproject components include: housing blocks of category III and IV; five-storied structures totaling eight buildings, service center building, parking lot for tenants, approach and internal roads with internal pedestrian pathways, septic tanks and soak pits, drinking water and rainwater harvesting tanks, drainage, and sub-station.

14. Details regarding the housing complexes and the number of units by category which will be developed in the targeted towns are presented in Table 1.

**Table 2: Details of housing blocks by town, category, and number of units to be developed under GRAHSP**

| S. No               | Location   | No. of buildings    | No. of units        |
|---------------------|--|---------------------|---------------------|
| 1. Thimphu          | Thimphu (According to NHDCL, proposed 9 sites but not confirmed at this stage) | Yet to be finalized | Yet to be finalized |
| 2. Phuentsholing    |  |                     |                     |
| 2 a.                | Drungpa's Residence  | 4                   | 96                  |
| 2 b.                | Amochu (Bangay)  | 5                   | 120                 |
| 2 c.                | Sonamgang  | Yet to be finalized | Yet to be finalized |
| 3. Samtse           |  |                     |                     |
| 3 a.                | Tading   | 57                  | 400                 |
| 4. Samdrup Jongkhar |  |                     |                     |
| 4 a.                | Dradulthang  | 4                   | 32                  |
| 4 b.                | Toed   | 11                  | 88                  |
| 5. Pemagatshel      |  |                     |                     |
| 5 a.                | Nganglam   | 8                   | 32                  |
| 6. Trashiyangtse    |  |                     |                     |
| 6 a.                | Trashiyangtse  | 8                   | 32                  |

Source: NHDCL

15. **Phuentsholing:** The project will be implemented in several towns, one of which is Phuentsholing. In Phuentsholing, housing will be developed in three locations. The components per location are: Drungpa's residence: (i) Housing blocks of category III (1 building), 2 BHK (2 buildings) and IV (1 building) in total having 96 apartments; (ii) parking lot; (iii) approach and internal roads; (iv) wastewater connected to the sewerage system of the municipality, (v) pedestrian footpath; (vi) rainwater harvesting tank; (vii) drinking water tank. At the second location – the Amochu sub-project the components are Housing blocks of category III, Type-I (1 building), category III, Type II (1 building), and category IV (3 buildings) in total having 108 apartments. At the third location – Sonamgang (replacing Rinchending) as per disclosed resettlement plan, the reason for the cancellation of the site is that the site is geologically not

<sup>5</sup> Resettlement Plans Phuentsholing and Thimphu.



feasible/stable for any type of construction work. The subproject and components for Sonamgang are yet to be finalized.

16. **Thimphu:** The project will be implemented in several towns, one of which is Thimphu. In Thimphu, the components that will be developed will be finalized once the designs of the components for each of the nine new sites has been finalized by the NHDCL.

#### **B. Measures to Avoid and Minimize Involuntary Resettlement Impacts:**

17. To avoid and minimize involuntary resettlement impacts, the subproject proposes to use government land which is already available and registered in the name of NHDCL. The project will also use the existing right-of-way of government roads within the existing available ROW for aligning the proposed approach roads to the site and existing service points and ducts. The Contractor will also ensure that access to the public roads adjacent to the housing plot is not hindered.

18. To minimize construction impacts, works will be executed between 8 AM to 6 PM especially in the plots near the private residential buildings. This is to avoid inconveniences to the public residing nearby. All safety norms will be strictly adhered to, taking into consideration that the sites are located in areas with dense settlements (in the case of Drungpa's Residence, Amochu). The Project Implementation Unit (PIU) will also ensure that all necessary rules related to safety and security of the public and residents are followed by the contractor. The construction schedule in terms of the total construction period, actual work hours, and off-days for labourers will be discussed with stakeholders living proximate to the housing site such as private landowners and residents living in private housing or company residential areas. It is also standard practice to display such project details on large boards at visible points near the project site, and the same will be done in this project, to inform the public of the project. These measures will be part of the contract document of the Contractor and will be implemented with careful monitoring by the concerned PIUs. The vulnerability status of the affected people/communities is yet to be confirmed.

19. Except for Trashiyangtse other sub-projects are at various stages of design and bid preparations. For Rinchening and Thimphu alternative new sites are yet to be identified and safeguards studies to be carried out. Details of all subprojects / packages, type of bid/contract and current status of implementation of packages is presented in the Table 2 and detailed implementation progress of each of the awarded packages are given in Table 3

**Table 3: Status of All Subprojects / Packages**

| <b>Package/<br/>Subproject</b> | <b>Subproject / Package components</b>  | <b>PIU</b> | <b>Current Status</b>        | <b>Bid /<br/>contract<br/>type</b> |
|--------------------------------|---|------------|------------------------------|------------------------------------|
| <b>Trashiyangtse</b>           | (i) Construction of G+1 storied RCC Residential Building 8 numbers and associated site development works.                         |            | Bid Evaluation               | Works                              |
| <b>SamdrupJongkhar</b>         | (i) Dradulthang: G+3 storied RCC Residential Building 4 numbers<br>(ii) S/J Toed: G+3 storied RCC Residential Building 11 numbers |            | Preparation of Bid Document. | Works                              |

| <b>Package/<br/>Subproject</b> | <b>Subproject / Package components</b>  | <b>PIU</b> | <b>Current Status</b>  | <b>Bid /<br/>contract<br/>type</b> |
|--------------------------------|---|------------|--|------------------------------------|
| <b>Nganglam</b>                | (i) Nganglam: G+1 RCC Residential Building 8 numbers  |            | Preparation of Bid Document.   | Works                              |
| <b>Phuentsholing</b>           | (i) Dungpa residence area: G+5 RCC Residential Building 4 numbers<br>(ii) Amochu (Bangay): G+5 RCC Res. Building 5 Nos<br>(iii) Rinchending |            | Preparation of Bid Document.<br><br>Preparation of Bid Document.<br>Geo-Tech studies | Works                              |
| <b>Samtse</b>                  | (i) Tading: G+2 RCC building 57 nos.  |            | Initial site analysis and planning.  | Works                              |
| <b>Thimphu</b>                 | (i) Site yet to be decided as Semtokha site got cancelled.  |            | Feasibility  | Works                              |

Source: NHDCL

**Table 4: Implementation Status of Awarded Subprojects / Packages**

| Package         | Package status                  | Design progress to date | Construction progress to date | Components completed to date | Works conducted during the reporting period | Design Changes        | Additional Assessment (based on design change) | Safeguard Documents need to be updated |
|-----------------|---------------------------------|-------------------------|-------------------------------|------------------------------|---|-----------------------|--|--|
| Trashiyangtse   | Not yet awarded. Bidding stage. | 100%                    | 0%                            | • None                       | • None                                      | • None                | • None   | • None                                 |
| SamdrupJongkhar | Not yet awarded.                | 100%                    | 0%                            | • None                       | • None                                      | • None                | • None   | • None                                 |
| Nganglam        | Not yet awarded.                | 100%                    | 0%                            | • None                       | • None                                      | • None                | • None   | • None                                 |
| Phuentsholing   | Not yet awarded.                | 50%                     | 0%                            | • None                       | • None                                      | • None                | • None   | • Yes                                  |
| Samtse          | Not yet awarded.                | 0%                      | 0%                            | • None                       | • None                                      | • Yet to be finalized | • Yet to be done                               | • Yes                                  |
| Thimphu         | Not yet awarded.                | 0%                      | 0%                            | • None                       | • None                                      | • Yet to be finalized | • Yet to be done                               | • Yes                                  |

Source: NHDCL

### III. INVOLUNTARY RESETTLEMENT IMPACT

#### A. Involuntary Resettlement Impact

20. During the project preparation stage, involuntary resettlement impact was identified at Phuentsholing and Thimphu housing sites. Based on the impact assessed and the socio-economic survey of the affected persons; two resettlement plans have been prepared and approved by ADB. Both the resettlement plans will be further updated prior to contract award and compensation will be disbursed to the affected persons based on the impact assessed prior to the commencement of work.

21. **Phuentsholing:**<sup>6</sup> Based on the transect walk and survey at all the project locations, under Phuentsholing, involuntary resettlement impacts have been identified. The survey carried out during project preparation identified six (6) affected households having 23 household members. Of these, 3 households (9 members) face significant impact, one of them being a government employee (Drungpa) with 5 household members at Drungpa's residence facing relocation. The remaining 3 households in Phuentsholing (14 members) are assessed to face non-significant impact. The Drungpa and his family will be relocated to an alternate transitional residential premise which has been arranged by NHDCL and subsequently to a house renovated by NHDCL. At Drungpa's residence housing site an affected household will lose a commercial structure (resulting in income loss) and another household will lose a cement platform for keeping water tanks (which has not been in use by the affected person for a long time) and temporary garage, both are non-titleholders and have encroached on government land. At Amochu housing site one temporary residence cum commercial structure will be impacted resulting into relocation, structural loss and income loss of one household assessed as vulnerable; another household at Amochu would lose temporary structures used as storerooms. Earlier at Rinchening housing site, a landowner living adjacent to the plot was identified who has encroached, planted and grown crops of commercial value. The landowner will lose crops and trees. Now the proposed site has been dropped from the project scope considering geological non-viability; and a new site has been identified at Sonamgang. The components for the newly identified site are yet to be finalized. Involuntary resettlement impact will be assessed upon finalization of project components and the safeguarded document will be updated accordingly. The resettlement plan is based on a 100% survey of all three (including Rinchening) housing project sites. A socio-economic survey and inventory of assets and losses were carried out with all affected persons. The resettlement plan will be updated based on a detailed design, detailed measurement survey (DMS) and census survey, and site-specific consultations at each location in Phuentsholing, prior to the start of the construction work by the PIUs and Contractors to identify additional impacts once the project footprint on-the-ground has been fixed to assess losses and document socio-economic status of affected persons within the subproject impact area. The updated plan can be reviewed and validated by the project implementation unit (PIU) / project management unit (PMU) during project implementation before submission to the ADB for approval. Also, the contractor will be directed, and monitored, so that noise within permissible levels is maintained as well as other construction rules in force for controlling dust pollution, and waste management among others will be followed.

22. **Thimphu:**<sup>7</sup> A 100% census and socio-economic survey of affected persons was undertaken; impacts were identified to document the status of affected persons within the subproject impact area. In total 20 families and a total of 78 persons were initially assessed as affected. As of August 2021, however, NHDCL allotted government housing to five affected

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<sup>6</sup> Disclosed Resettlement Plan Phuentsholing

<sup>7</sup> Disclosed Resettlement Plan Thimphu

families of NMC with a total of 22 affected family members at the government housing colony in Changjiji in Thimphu, as per the government's norms. Therefore, the remaining 15 affected families will have to relocate, of which seven are families of the professional staff of NMC and eight are low-income staff of NMC and their families. These 15 families are government employees living in government-provided housing. The 15 families have 56 affected persons. One of the families that have received alternate government accommodation remains to be compensated for the loss of minor structures and trees. In total, 16 families with 61 members are assessed to be affected and yet to be compensated (under the proposed subproject). The government-owned DOL (Department of Livestock) piggery structures in Thimphu near the site where the low-income NMC staff will be relocated, will be moved to DOL land at Yusipang; none of the existing DOL employees will be affected. The imminent relocation was discussed in a consultation meeting organized by NHDCL. As per government norms, the government employees who are tenants will vacate the premises by themselves. A one-time shifting allowance is proposed for each tenant. Other than this impact, no other impact is foreseen on private land or common property resources, other than marginal impacts on properties like temporary sheds, garages, and storerooms constructed by the tenants themselves and one tenant whose livelihood will be affected partially. One tenant will partially lose income from a secondary income-generating activity her husband pursues. Further, no impacts to indigenous peoples are anticipated under the subproject.

## **B. Payment of Compensation**

23. Payment of compensation and livelihood restoration work is expected to be carried out within December 2022 before handing over the lands (sites) to the contractor. The detail compensation for the affected assets has been calculated based on the RP document from which Rinchening compensation for the affected fruit trees has been omitted. Due to technical reasons, the proposed site has been dropped from project scope (as informed by NHDCL design team).

## **C. Indigenous People**

24. The field visits and consultations undertaken during the project preparation stage, reveals that there are no indigenous people living at the housing sites. Consequently, no impacts on indigenous peoples are anticipated under the subproject in Phuentsholing and Thimphu. None of the potentially affected persons identified during the field visit and socio-economic survey belong to indigenous people's groups. As per ADB SPS, indigenous people's<sup>8</sup> safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of indigenous peoples or affects the territories or natural or cultural resources that indigenous peoples own, use, occupy, or claim as their ancestral domain. None of the above-mentioned types of indigenous peoples' impacts are assessed in Phuentsholing and Thimphu.

## **IV. CONSULTATION AND DISCLOSURE**

25. During the project preparation phase, the goals and objectives of the project have been shared with stakeholders (including, beneficiaries, affected persons, and institutional stakeholders) through consultation meetings. Stakeholders were briefed on the technical details

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<sup>8</sup> ADB SPS 2009 uses the term indigenous peoples in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following characteristics: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats or territories; (iii) customary cultural, economic, social or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region.

of the project, the implementation cycle, project benefits, and adverse impacts. A program of continuous consultation and disclosure is proposed. A summary of the resettlement plan in the local language will be disclosed to affected persons and key stakeholders. Details of stakeholder consultation programs and disclosure meetings with the project-affected persons will be documented in the next SSMR.

## **V. GRIEVANCE REDRESS MECHANISM**

26. The project will adopt a three-tier Grievance Redress Mechanism (GRM) for implementing the project. The GRM will receive, evaluate, and facilitate the resolution of social, environmental, or another project-related grievance. 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 public awareness campaign will be conducted to ensure that awareness of 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 of the GRM.

27. The project GRM is in place and GRM committee members at each level are identified. An official document specifying the formation of the GRM committee is enclosed for reference. Since the project activity is yet to start, so no grievances have been recorded within the timeline of this SSMR.

## **VI. INSTITUTIONAL ARRANGEMENT**

28. 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 agencies<sup>29</sup> 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.

29. 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.

30. The PMU and PIUs will be further supported by a Project Implementation Assistance Consultant (PIAC) in project management and implementation. Table below provides the status of the staffing.

**Table 5: Staffing Update/Status for GRASHP (Social Safeguards)**

| Positions   | Staffing Update/Status   |
|---|--|
| Project Director (1)  | Ful time Project Director has taken the charge                                   |
| Gender Officer (1)  | Full time Gender Officer focal person is assigned                                |
| Social Safeguards Officer (1)                                   | Safeguard Focal is assigned  |
| <b>PIAC</b>   |  |
| Gender Specialist (1)   | Social Safeguard Specialist looks after both social and Gender aspects and CAPP. |
| Social Safeguards Specialist (2)                                | Social Safeguard Specialist assigned (1)   |
| <b>PIU</b>  |  |
| Project Engineer (one per PIU) <sup>9</sup>                     | One Project engineer is assigned in each PIUs.                                   |
| Site Supervisor (one per PIU)                                   | Not confirmed yet  |
| <b>Contractor/s</b>   |  |
| EHS Supervisors and Social Safeguards Supervisor per Contractor | To be done after contract award  |

## VII. COMPLIANCE WITH LOAN COVENANTS (SOCIAL SAFEGUARDS)

**Table 6: Compliance with Loan Covenants (Social Safeguard)**

| Loan Covenants (Social Safeguards)   | Status         |
|--|----------------|
| Land Acquisition and Involuntary Resettlement  |                |
| The Borrower shall ensure, or shall cause NHDCL to ensure, that all land and all rights-of-way required for each subproject and project facilities are made available to the Works contractor in accordance with the schedule agreed under the related Works contract and all land acquisition and resettlement activities are implemented in compliance with (a) applicable laws and regulations of the Borrowers relating to land acquisition and involuntary resettlement; (b) the Involuntary Resettlement Safeguards; (c) the RF; and (d) all measures and requirements set forth in the respective RP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report. | Being complied |

<sup>9</sup>The Project Engineer and Site Supervisor will be appointed by PMU. The Project Engineer will be the Head of PIU who will oversee monitoring of the works including implementation of safeguards and gender aspects. The Site Supervisor will act as PIU's environmental, gender and social safeguards focal person, and will be closely supported by the PIAC.

| Loan Covenants (Social Safeguards)   | Status  |
|--|---|
| <p>Without limiting the application of the involuntary resettlement safeguards, the RF or the RP, the Borrower shall ensure, or shall cause NHDCL to ensure, that no physical or economic displacement takes place in connection with the subproject until:</p> <ul style="list-style-type: none"> <li>(a) Compensation and other entitlements have been provided to the affected people in accordance with the RP, and</li> <li>(b) A comprehensive income and livelihood restoration program has been established in accordance with the RP.</li> </ul>  | <p>Being complied.</p> <p>Compensation will be paid to all affected families as per approved Resettlement Plan prior to commencement of construction work</p> |
| Indigenous Peoples   |   |
| <p>The Borrower shall ensure, or shall cause NHDCL to ensure, that the Project does not have any environmental, <b>indigenous peoples impacts</b>, or involuntary resettlement impacts within the meaning of ADB's Safeguards Policy Statements (2009). In the event that the Project does have any such impact, the Borrower shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.</p>   | Not applicable  |
| Safeguards – Related Provisions in Bidding Documents and Works Contracts   |   |
| <p>The Borrowers shall ensure, or shall cause NHDCL to ensure, that all bidding documents and contracts for Works contain the provisions that require contractors to:</p> <ul style="list-style-type: none"> <li>(a) Comply with the measures and requirements relevant to the contractor set forth in the respective IEEs, EMPs, and RPs (to the extent they concern impacts on affected people during construction), and any corrective or preventative actions set out in a Safeguards Monitoring Report;</li> <li>(b) Make available a budget for all such environmental and social measures;</li> <li>(c) Provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the respective IEEs, EMPs and RPs; and</li> </ul> | Being complied  |



| Loan Covenants (Social Safeguards)   | Status         |
|--|----------------|
| (d) Adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction, and fully reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.   |                |
| Safeguards Monitoring and Reporting  |                |
| <p>The Borrower shall, or shall cause NHDCL to, do the following:</p> <ul style="list-style-type: none"> <li>(a) Submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;</li> <li>(b) If any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the respective IEEs, EMPs and RPs, promptly inform ADB of the occurrence of such risks or impacts; with detailed description of the event and proposed corrective action plan; and</li> <li>(c) Report any actual or potential breach of compliance with the measures and requirements set forth in the respective EMPs and RPs promptly after becoming aware of the breach.</li> </ul> | Being complied |
| Prohibited List of Investments   |                |
| The Borrower shall ensure, or cause NHDCL to ensure, that no proceeds of the loan are used to finance any activity included in the list of prohibited investment activities provided Appendix 5 of the SPS   | Complied       |

## VIII. FOLLOW-UP ACTIONS AND RECOMMENDATIONS

31. PIAC social safeguards consultant and NHDCL (PMU and PIUs) will monitor and evaluate the resettlement plan implementation and economic rehabilitation activities during the entire project period. The monitoring report will contain an evaluation of the resettlement plan implementation, and its efficacy and provide valuable insight into the constraints in the way of implementation of the resettlement plan.

32. The Social Safeguard Consultant from PIAC, NHDCL shall prepare and send status reports to ADB on RP implementation periodically through the SSMR and Quarterly Progress Report (QPR) and a final report upon completion of the resettlement program.

33. 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.

34. The social and environmental focal from PMU, NHDCL assigned officer will conduct periodic reviews and supervision missions during the implementation stage and will report 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 their settlement plan policy.

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

- **Process indicators** indicating project inputs, expenditure, staff deployment, etc.;
- **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
- **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.

36. The resettlement plan will be updated based on detailed measurement on completion of detailed design and before start of civil works by the social safeguard specialist from PIAC. The updated/revised resettlement plan will be submitted to ADB for approval. A revalidation and census survey will be undertaken to register and document the status of affected people as identified after the detailed measurement survey, in addition to the ones identified during the project preparation phase within subproject impact areas. The detailed measurement survey will be jointly conducted by PIUs and contractors prior to implementation at each site/stretch of alignment to identify the unanticipated impacts.


37. One affected person facing the loss of the cement platform was unavailable during the survey and hence shall be interviewed during the site visit by the PIAC social safeguards consultant. Follow-through will be conducted to interview the affected person, and details will be included in the updated resettlement plan.

38. During detailed design and/or implementation, if any temporary impacts related to pipe laying and construction of access roads to and from the site are identified, a census survey will be conducted, and the cut-off-date for temporary impacts will be communicated to the affected persons and others in the affected area during census survey (and not in much advance) and also by putting up printed information in project affected area at some common meeting place and a copy of the same to be added to the updated resettlement plan.


39. ADB approval of the updated resettlement plan based on the final assessment at the detailed measurement survey stage needs to be obtained by the PMU, before the start of civil works.

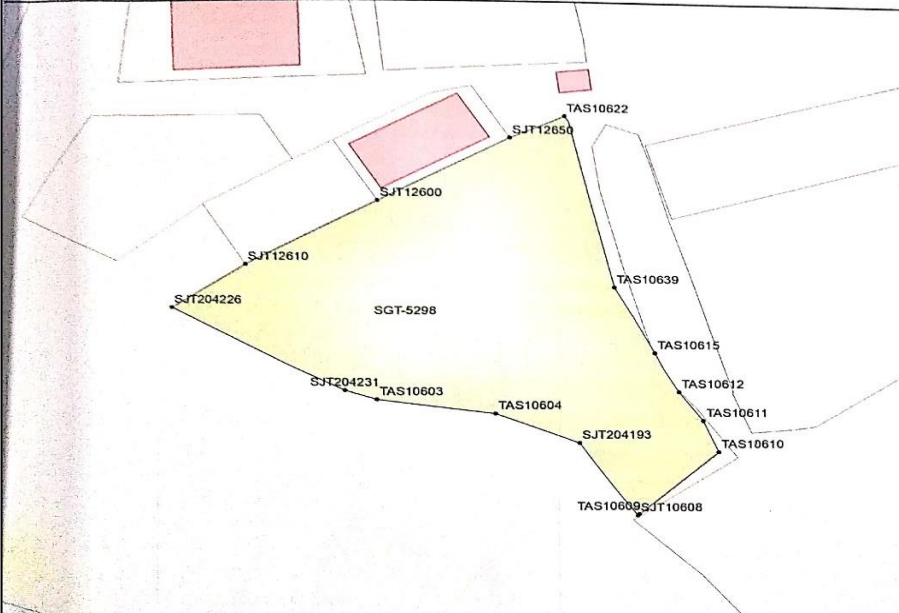
40. Entitlement, cut-off dates, and grievance redress mechanism will be disclosed to the affected persons and stakeholders through disclosure meetings, in the local language to be conducted by PIUs and PMU. Details of disclosure meetings are to be documented and reported in the updated Resettlement Plan/monitoring reports. The list of Grievance Redressal Committee members at the central, PIU, and local levels will be appended with this SSMR or the next.
41. A copy of the draft and final resettlement plan and entitlement matrix should be kept at a convenient place where the affected persons and other stakeholders can access it.
42. Mitigation measures as proposed in the draft resettlement plan will be taken by the contractor and a robust monitoring plan will be put in place by the PIUs and PMU to ensure its compliance. Civil work will be avoided during day hours. All safety measures and COVID-19 safety protocols must be taken during civil work and stakeholder consultations.
43. Stakeholder consultations and engagement will be carried out throughout the entire project planning and implementation phase.
44. All the progress as stated above including project implementation status, resettlement plan updating, compensation disbursement to the affected persons, stakeholder consultations and grievance redress mechanism will be captured and presented in the next SSMR.

Appendix 1: Sample Land use Certificates for SamdrupJongkhar (Dradulthang)




**ROYAL GOVERNMENT OF BHUTAN**  
**NATIONAL LAND COMMISSION**  
**CADASTRAL MAP**  
 Scale: 1:800





**Map Index**



**Disclaimer:**  
 This map is produced as legal reference for the individual plot owner only. It's use other than the legal reference is strictly prohibited.

Thromde ==> Samdrup Jongkhar  
 Location ==> LAP 3  
 LUC No. ==> 628  
 User Name ==> NHDCL

**Prepared by:**

*Tashi Penjor*

Name & Sign: .....Tashi Penjor....  
 Date:..... 07/12/2018.....


**Issuing Authority:**

*Kiba*


Name & Sign:..... Kiba.....



**འབྲུག་རྒྱལ་ཁབ་འཕུགས་ཀྱི་རྒྱལ་པོ་ལྷན་ཁག་གི་**  
**སྤྱི་ཚོགས་འཕུལ་ཁུངས་ཀྱི་**

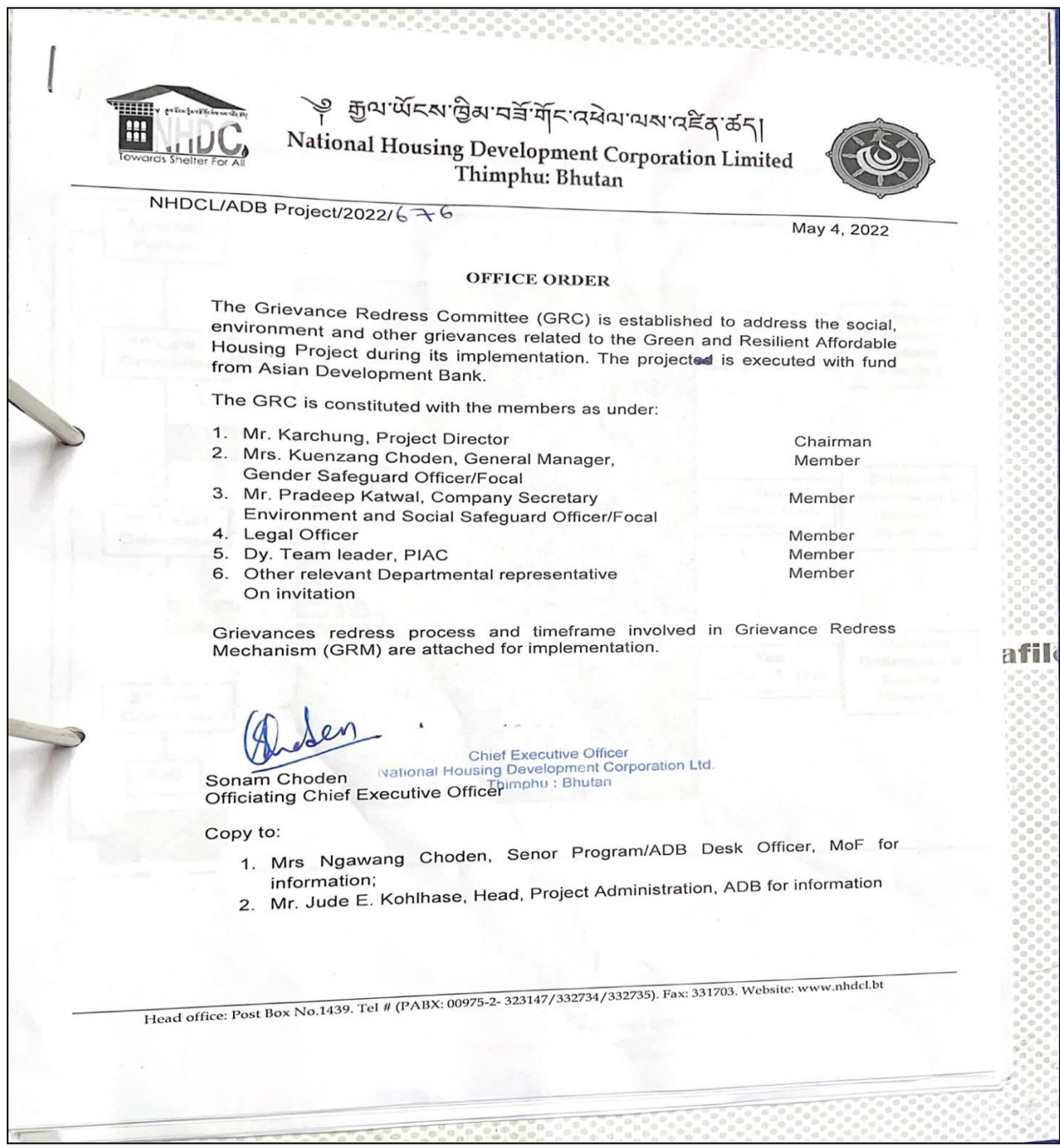



|   |                 |                                    |                |   |                     |
|---|-----------------|------------------------------------|----------------|---|---------------------|
| <b>Location Detail</b>  |                 | <b>LUC Owner Detail</b>            |                | <b>LUC Owner Permanent Address</b>                                      |                     |
| Thromde: Samdrupjongkhar<br>Thromde Village: Samdrupjongkhar<br>LUC No: 628 |                 | Name of User: NHDCL<br>CID No: N/A |                | Dzongkhag:<br>Gewog/Thromde:<br>Thram No:<br>House No:<br>Unique HH No: |                     |
| <b>LUC Ownership Type</b>   |                 | <b>Co-Owners</b>                   |                |   |                     |
| "Government Institutions"   |                 |                                    |                |   |                     |
| <b>Urban Village</b>  | <b>Location</b> | <b>Precinct</b>                    | <b>Plot No</b> | <b>Area (Sq.ft)</b>   | <b>Purpose</b>      |
|   | LAP 3           | R1                                 | SGT-5298       | 34945   | For Housing Complex |



**སྤྱི་ཚོགས་འཕུལ་ཁུངས་ཀྱི་**  
**Region Head**  
**Urban Land Division**  
**Region III**

Appendix 2: Copy of letter establishment of GRM Committee



ལྷ་ཀླུ་ཡོངས་ཁྱིམ་བཞོ་གོང་འཕེལ་ལས་འཛིན་ཚད།  
**National Housing Development Corporation Limited**  
**Thimphu: Bhutan**



NHDCL/ADB Project/2022/676

May 4, 2022

**OFFICE ORDER**

The Grievance Redress Committee (GRC) is established to address the social, environment and other grievances related to the Green and Resilient Affordable Housing Project during its implementation. The project is executed with fund from Asian Development Bank.

The GRC is constituted with the members as under:

- |   |          |
|---|----------|
| 1. Mr. Karchung, Project Director   | Chairman |
| 2. Mrs. Kuenzang Choden, General Manager, Gender Safeguard Officer/Focal                | Member   |
| 3. Mr. Pradeep Katwal, Company Secretary Environment and Social Safeguard Officer/Focal | Member   |
| 4. Legal Officer  | Member   |
| 5. Dy. Team leader, PIAC  | Member   |
| 6. Other relevant Departmental representative On invitation                             | Member   |

Grievances redress process and timeframe involved in Grievance Redress Mechanism (GRM) are attached for implementation.

**Sonam Choden** Chief Executive Officer  
 National Housing Development Corporation Ltd.  
 Thimphu : Bhutan  
 Officiating Chief Executive Officer

Copy to:

- Mrs Ngawang Choden, Senor Program/ADB Desk Officer, MoF for information;
- Mr. Jude E. Kohlhase, Head, Project Administration, ADB for information