

Resettlement Plan

April 2014

BHU: SASEC Road Connectivity Project
Nganglam-Dewathang Highway and Pasakha Access Road

Prepared by the Department of Roads, Ministry of Works & Human Settlement, Royal Government of Bhutan for the Asian Development Bank

CURRENCY EQUIVALENTS

(as of 12 March 2014)

Currency unit	–	Bhutanese Ngultrum
Nu 1.00	=	\$ 0.01637
\$1.00	=	Nu 61.0800

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ABBREVIATIONS

AC	-	acre
ADB	-	Asian Development Bank
BSR	-	Bhutan Scheduled Rates
DAO	-	Dzongkhag Agriculture Officer
Dec/	-	decimal (100 decimal=1 acre)
DFO	-	Divisional Forestry Officer
DoR	-	Department of Roads
DP	-	Displaced People
EA	-	Executing Agency
FGD	-	Focused Group Discussion
GT	-	Geog Tshogdae (Block Level Development Committee)
HH	-	House hold
Km	-	Kilometre
LRO	-	Land Record Officer
MoAF	-	Ministry of Agriculture & Forests
MoWHS	-	-Ministry of Works and Human Settlement
NFE	-	Non Formal education
Nu	-	Ngultrum (Bhutanese Currency)
NLC	-	National Land Commission
PAVA	-	Property Assessment and Valuation Agency
PMO	-	Project Management Office
PMU	-	Project Management Unit
RBA	-	Royal Bhutan Army
RGoB	-	Royal Government of Bhutan
RNP	-	Road Network Project
SPS	-	Safeguard Policy Statement
ToR	-	Terms of Reference

NOTE

In this report, "\$" refers to US dollars.

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EXECUTIVE SUMMARY

A. The Project Background

1. The Royal Government of Bhutan (RGoB), through the Department of Roads (DOR) and the Phuentsholing Thromde (PT), has proposed to implement the SASEC Road Connectivity Project with financial the assistance of the Asian Development Bank (ADB). The Project subprojects will be: (i) 68km of National Highway between Nganglam and Dewathang; (ii) 1.2km access road from an Indian border constructed at Pasakha area, (iii) a mini-dry port in Phuentsholing and Alay land custom station; and (iv) about 2.7km of bypass road in Phuentsholing city. This Resettlement Plan covers two subprojects: (i) the National Highway between Nganglam and Dewathang (68km) (NH), and (ii) Pasakha Access Road (PAR). Both subprojects will be implemented by the DOR.

2. This Resettlement Plan prepared for the Nganglam-Dewathang subproject is considered as “Category A” as far as Involuntary Resettlement (IR) is concerned. The resettlement impact is significant.

B. Methodology

3. The affected households list as it appeared in the RP 2012 was reviewed based on the final detailed designs and road alignment. A final fresh list of all affected households and affected assets is presented. A census survey covering all affected households was carried out using a structured questionnaire. Data was collected from primary and secondary sources including field visits and interviews with the project affected people, groups and communities. Consultations were held with affected families/groups (including women headed households), and their specific issues/impacts were collected. Assessment and verification was done on assets lost by individual households, community, government and corporations. The resettlement plan is prepared based on the resettlement policy framework. Based on entitlement matrix a compensation plan is proposed to the affected households. The proposed grievance redress mechanism and specify roles and functions for grievance handling at different levels was reviewed and improved based on consultations with the affected people. Training cum workshop programme on the ADB safeguard mechanisms has been conducted for the main stakeholders of the two Dzongkhags.

4. The Project has its objectives of avoiding involuntary resettlement wherever possible, by means of (i) conducting extensive public consultations with the communities for alignments selection; and (ii) adopting an appropriate technical design, which leads to minimization of the resettlement impact. The resettlement will involve physical displacement of 8 households.

5. The finalized Resettlement Plan defines principles guidelines and processes that will be used to address the adverse social impacts from land acquisition and involuntary resettlement. The RP also defines the legal, institutional and implementation framework to guide the compensation for lost assets, livelihoods, community property, and resettlement and rehabilitation of project affected people in accordance with the Bank’s Policy and RGOB guidelines and legislation.

C. Sub-Projects Impacts (Land Acquisition & Resettlement)

6. As per findings of the 100% census of affected land and non-land assets, the subproject impacts can be broadly classified as (i) impacts on private land, (ii) impacts on private structures

and fruit trees, (iii) impacts on government and Corporation assets, (iv) impacts on livelihoods due to loss of private properties and (iv) loss of common property resources.

7. **Loss of Land:** The land, structure and trees impacts were assessed from its distance from the center line (30 meters corridor for rural land and 7.5 meters corridor for Dewathang municipality). A total of 62.81 acres is private land owned by 201 households will be affected. All the plots are registered and owned by the households in single family. In Samdrup Jongkhar, 42 households losing less than or equal to 10 decimals of land will receive cash compensation while 31 households will receive land for land. In Pema Gatshel, 47 households will receive cash compensation for land and 81 households will receive land for land. Majority of the affected households are losing less than 10% of land holding.

8. **Loss of Structures:** Based on the social survey and design data it is estimated that a total of 28 private structures will be affected. All the structures will be 100% affected since main structures are semi-permanent in nature and integrity of the structure will be fully compromised even if only part of the structure is within the RoW. 11 main structures of semi-permanent and temporary in nature will be affected and 17 secondary structures will be affected.

9. **Impact on trees:** There are 135 affected households losing cash crops mainly oranges, banana, mango areca nut and bamboo. There are a total of 14,710 private trees to be affected in the subproject. The majority of the trees to be affected are orange, bamboo and banana. A total of 1,343 orange trees are affected although most of the trees are infected by citrus greening.

Table 1: Summary of sub-project impacts (Nganglam-Dewathang)

Impacts		Number
1	Number of affected households	204
2	Private land affected (acres)	62.81
3	Government land affected (acres)	2.48
4	Number of households receiving cash compensation for affected land	90
5	Number of households opting for land compensation	111
6	Numbers of plots affected	290
7	Displaced households losing 10% or more productive assets	50
8	Number of displaced persons losing 10% or more productive assets	321
9	Physically displaced households	8
10	Number of vulnerable households	55
11	Non- title holders (households)	3*
12	Residential structure	8
13	Commercial structure	2
14	Residential + commercial structure	1
15	Secondary structures (fences, gates, walls, and etc)	17
16	Government Structures	35
17	Community assets	2
18	Number of private trees affected	14,710

Note: 1. The data is based on the cadastral survey of the National Land Commission. After the better begging and demarcation the numbers may change slightly.

2. Structures fall under 3 categories (permanent (concrete flooring, CGI sheet roof, brick foundation, semi-permanent (wall made of wood, floor concrete, roof CGI sheet) and temporary (no flooring, wall made from bamboo and roof plastic)
3. The nontitle holders have 16 persons

10. **Pasakha Access Road.** The land acquisition for the PAR subproject is not significant. There will be 1 household affected by the development of a new bridge (Bhalujhora Bridge). There will be two structures affected (one main and one secondary) and the land requirement is 0.04 acres.

D. Socioeconomic profile of affected households

11. The socio-economic survey covered a total of 197 households from 16 villages of 3 geogs under Nganglam Dungkhag and Dewathang Gewog of the two Dzongkhags (Pema Gatshel and Samdrup Jongkhar). The census survey on social assessment was targeted to cover all affected households of the project area. Majority of the household members belong to the age group of 18 - 56 years. The overall female male ratio is 1:1.2. Of the 197 households surveyed 57 households (28.9%) are headed by females. The occupation pattern of the affected households is 319 members (25%) actually work in the farms. However, one thousand members (77%) depend on agriculture for their livelihood. There are 365 (28%) students, followed by civil servants (14%), monks (4%), businessmen (4%) and army (1%). Other skills among the members include weaving 278 (21.5%), carpentry 44 (4%), and mason 9 (1%). Among the head of the households 38% were farmers, 21% other jobs, 7% business, and 21% did not respond. Among the affected households, all members are Buddhists and belong to Sharchop ethnicity. Thirty-seven percent of the members of the households are illiterate, 25 % studied up to primary level, 19% attained high school level education, 6% are graduates and 3% with monastic education.

12. The main cereals grown include maize, minor cereals (buckwheat, wheat, millet) and rice. Maize is the main crop grown in terms of acreage and production. Other crops grown include orange, vegetables and Ginger mainly grown as cash crops. Eighty-three percent of the affected households reported that the food production is enough to meet their requirement. Only 4 households reported that there are seasonal food shortages. The households with limited land holdings report that there are not enough marketable surpluses.

13. Major source of income of the affected households include sale of agricultural and livestock products, business, salary, carpentry, and cash remittances received from the employed relatives in the country, sale of. Weaving is mainly done by women. The annual average household income for the year 2012 was Nu 52,299.

14. The households mainly incurred expenditures on children education, purchase of essential food items, repair of houses, hire of labor, expenses on hire of labor, expenses on health, purchase of clothes and contribution for Rimdo. The average annual household expenditure was Nu 23,220 which is less than the annual income. This does not really mean there is cash surplus. There could be a under reporting on expenditure of the households since proper records are not maintained.

E. Consultation, Community Participation and Impact Mitigation

15. Consultations and discussions were held along the subproject with the affected families and other stakeholders including village heads, heads of households, women's groups, farmers,

business communities, and other vulnerable APs like people living below poverty line. The primary stakeholders of the Project have been identified as those residing in and around the vicinity of the proposed road. Apart from the APs, the other stakeholders identified are; MoWHS (DOR), MoA, (Land and Survey Division) and Dzongkhag Administration (District Agriculture Officer [DAO]), Finance Officer (FO), Land Record Officer (LRO), Gup, and Mangiap and village Headmen.

16. Focus group discussions were conducted with mainly the affected households at Dezama, Chokorling and at Dewathang during the period 19 June 2013 and 20-27 September 2013. These meetings were organized to get wider public input from both the primary and secondary stakeholders. A total of 166 affected households participated in the discussions. They said that they will provide full support and cooperation for the implementation of the road project. Benefits from the project included: (i) enhanced agricultural production, (ii) enhanced services on education, (ii) Improved health services; and (iv) easy to travel within Bhutan.

17. **Disclosure of RP.** To maintain adequate transparency in planning and to ensure further active involvement of DPs and other stakeholders, the sub-project information will be disseminated through disclosure of Resettlement Planning document. A resettlement information leaflet containing information on compensation, entitlement and resettlement management adopted for the sub-projects will be made available in local language and distributed to DPs. Each DP will be provided information regarding specific entitlements. The DoR/Dzongkhag/Dungkhag officials will keep the DP informed about the impacts, the compensation and assistances proposed for them and facilitate addressing any grievances. A copy of the RP will be disclosed through the DoR, MoWHS website and also in the ADB website.

F. Policy Framework

18. The legal framework and principles adopted for addressing resettlement issues in the Project have been guided by the existing legislation and policies (Land Act of Bhutan amended in 2007, Land Compensation Rates 2009 (PAVA), Cash Compensation Rates for fruit trees 2009, Department of National Properties, Ministry of Finance, Cash Compensation Rate for Private Forest trees 2010, Department of National Properties, Cash Compensation Rate for Fodder trees, Department of Livestock Animal Nutrition Division, National Center for Animal Nutrition, Bumthang and BSR 2012) and Bhutan Scheduled Rates (BSR 2012) for the affected structures.

19. The ADB has adopted Safeguard Policy Statement (SPS) 2009 including safeguard requirements for environment, involuntary resettlement and indigenous people. The objectives of the Safeguard Policy Statement 2009 (SPS) 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.

20. The Entitlement Matrix (Table 32) has been formulated according to the resettlement principles for this Project and specifically reflects various types of losses resulting out of this particular sub-project and specific compensation and resettlement packages.

21. Compensation for the lost assets to all displaced persons will be paid on the basis of replacement cost. Resettlement assistance for lost income and livelihoods will be provided to the affected households. Special resettlement and rehabilitation measures will be made

available to the “Vulnerable Group” comprises of DPs living below poverty line (BPL) and women headed households.

22. The groups of people entitled/not entitled to compensation and assistance under the project have been defined. The project will provide entitlements to rehabilitate persons who lose their land and other property. The specific entitlements are presented in the Entitlement Matrix which is applicable to the Rural Access Projects and which accommodates the provisions of the RPF and the laws of Bhutan.

G. Resettlement Budget and Financing

23. The compensation and assistance cost will be borne by the Project. The total budget needed for the resettlement is 23,089,338.

H. Institutional Arrangements

24. For implementation of RP there will be a set of institutions involved at various levels and stages of the Project. The primary institutions who will be involved in this implementation are the following; (i) Department of Roads, (ii) Dzongkhag (District Administration), (iii) Project Management Office, (iv) Dzongkhag Land Record Officer, Dzongkhag Survey Officer (v) Surveyors, (v) Grievance Redressal Committees, and (v) Supervision Consultant.

I. Grievance Redress Mechanisms

25. The Project will be conducted with a participatory process with the local communities. Through this, and the provision of good compensation and support mechanisms, acceptance of the Project will be enhanced and complaints reduced. There may nevertheless be individuals or groups who feel that they are not given adequate support, or that their needs are not properly addressed. The Project will therefore establish a Grievance Redress process in the existing mechanism of local committees (Geog Yargay Tshogchung, Dzongkhag Yargay Tshogdu), and the Dzongkhag/Dungkhag which will hear complaints and facilitate solutions. If the issue is not resolved, the individual/group may approach DoR through the office of the local executive engineer. If the issue remains unresolved, people would have the right to approach the higher authority as per traditional practices. In order to ensure that all DPs will have avenues for redressing their grievances related to any aspect of land acquisition and resettlement, detailed procedures for redressing grievances need to be established for the Project.

J. Monitoring and Evaluation

26. The implementation of the Resettlement Action Plan will be monitored as a part of the Project implementation. The monitoring of the implementation of the Resettlement Plan should be conducted on a half yearly basis by the PMU, DoR. The monitoring should include implementation of land acquisition and payment of compensation; verification of the compensation payments to the APs; any grievances and the redress process; financial and physical progress of the road construction and participation of the beneficiary community and affected households; any deviation from the RPs and the reasons thereof; an annual evaluation of the land acquisition and resettlement component of the by PMU DoR.

27. External monitoring will be conducted by Social consultant under Supervision Consultant. The results of this monitoring should be summarized in reports that will be submitted to the Project authorities and to the ADB on a biannual basis.

I. PROJECT DESCRIPTION

A. General

28. The Royal Government of Bhutan (RGoB), through the Department of Roads (DOR) and the Phuentsholing Thromde (PT), has proposed to implement the SASEC Road Connectivity Project with financial the assistance of the Asian Development Bank (ADB). The Project subprojects will be: (i) 68km of National Highway between Nganglam and Dewathang; (ii) 1.2km access road from an Indian border constructed at Pasakha area, (iii) a mini-dry port in Phuentsholing and Alay land custom station; and (iv) about 2.7km of bypass road in Phuentsholing city. This Resettlement Plan covers two subprojects: (i) the National Highway between Nganglam and Dewathang (68km) (NH), and (ii) Pasakha Access Road (PAR). Both subprojects will be implemented by the DOR.

B. Project Background



Figure 1: Road map

29. For the NH, the subproject road starts at Nganglam Dungkha of Pema Gatshel Dzongkhag and connects Dewathang Gewog under Samdrup Jongkhar Dzongkhag. The subproject will impact road network efficiency in the southern east-west highway missing link and sub-regional connectivity, contributing to expanded economic and regionally-balanced development, leading to poverty reduction. These goals will be achieved by connecting Sarpang-Lhamoizingkha to Nganglam-Dewathang and Samrang-Jomotshangkha. For PAR, it's a 1.2km road from the Indian border connecting to the Pasakha industrial area.

30. This Resettlement Plan is prepared for the Nganglam-Dewathang and Pasakha Access Road subprojects and is considered as "Category A" as far as Involuntary Resettlement (IR) is concerned. The resettlement impact is significant¹.

¹ As per ADB's SPS-2009 and OM Section F-1/OP issued on January 2010, 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).

31. This study, with survey being conducted between June and September 2013, is an update on the Resettlement Plan and social assessment carried out in April-May 2012 by the Department of Roads.

C. Profile of the Project Area

32. The two subprojects will benefit 1,068 households with a population of 8,944 covering 37 villages of Norbugang, Chokorling and Dewathang geogs under Pema Gatshel, Samdrup Jongkhar dzongkhags, and Phuentsholing. (Table 2).

Table 2: Profile of Project Areas

Gewog	Chiwogs	Villages	Nos HHs	Population		
				Male	Female	Total
PEMA GATSHEL						
Norbugang	Menchu	Menchu, Satsalo, Tshogtshogri, Gashari,	65	398	270	668
	Gashari	Lolan, Gongpa,	85	369	403	772
	Tsheisingzor	Bawjaw, Tanzema,	52	200	187	387
	Ningsingborang	Tshogporang, Kelikhar,	32	184	115	299
	Norbugang	Tsheisingzor,	49	172	185	357
	Nganglam Throm	Ningsingborang, Norbugang, Laishingri,	53	187	189	376
	Rinchenzor,	Guegribalu, Rinchenzor,	36	188	164	352
Nganglam	Menchu, Nganglamhro m, Nganglammedap	65	277	242	519	
Chokorling	Chokorling	Gazaong, Chokorling,	126	498	477	975
	Arden	Khalatsha,	14	46	58	104
	Yarjewong	Khalaktangzor	14	95	74	169
	Dijama		57	200	205	405
	Kerongh		57	233	230	463
SAMDRUP JONGKHAR						
Dewathang	Chenari	Rishore, Yezore, Bongts ho, Goenpa, Kopor,	95	420	433	853
	Bongtsho	Khesangteri,	88	400	430	830
	Rekhey	Khatey, Rekhey,	53	222	234	456
	Domphu- Dungkharcholing	Khamey, Domphu,	36	158	170	328
	Martang	Kheripam, Dungkarcholi ng, Marthang, Ashikhar, Gerwa	49	166	170	336
CHUKHA						
Phuentsholing	Pasakha	Balujora	42	106	189	295
4	19	37	1068	4519	4425	8944

D. Subprojects Benefits and Impacts

33. The overall subprojects benefit will help people to have improved access to health, education & other social services. By providing improved linkages to new markets, production centers, it facilitates the creation of new economic & employment opportunities. The subprojects are also expected to bring in economic and social changes in the area, which in turn would bring economic prosperity and would lead to poverty reduction.

34. The likely positive impacts of the subprojects are as follows:
- will provide direct employment opportunities for the local communities specially for wage workers, petty contractors and raw material suppliers;
 - will provide improved linkages between the village communities and urban center, thus providing improved marketing facilities;
 - people can easily travel to distant places to work;
 - will provide easy access to entrepreneurs to invest in remote areas;
 - will encourage the people building commercial relationships with external agencies;
 - will provide easy access to essential services like schools, health centre, etc; and
 - will increase the awareness level of the local people in health and hygiene, nutrition, living standards, value of education and living in harmony with the natural environment.
 - The Pasakha Access road improvement will indirectly benefit approximately 2600 people, provide direct entry and exit of vehicles between the two countries and decrease the traffic from the existing route from the main gate of Phuentsholing town.

E. Measures to Minimize Impact

35. In order to minimize the impact, adequate attention has been given during the project preparation to minimize the adverse impacts on land acquisition and resettlement impacts.

36. The design of the Nganglam-Dewathang subproject is based on the available gravelled and all weather alignment for single lane traffic with minor widening only for drainage and hard shoulders with minimum land acquisition. The land, structure and trees impacts were assessed from its distance from the centre line (30 meters corridor for rural land and 7.5 meters corridor for Dewathang municipality).

37. The Project has its objectives of avoiding involuntary resettlement wherever possible, by means of (i) conducting extensive public consultations with the communities for alignments selection; and (ii) adopting an appropriate technical design, which leads to minimization of the resettlement impact. The technical design is aimed at best utilization of the available space by avoiding mostly private, public structures and land takes.

38. The land topography and water availability were checked for finalizing the total land compensation as per the land compensation 2009. In three 3 locations (Nganglam, Dewathang and Pasakha) the topography was confirmed to be less than or equal to 30 degree and there are water available in the affected land within 100 meters distance.

F. Scope and Objectives of the Resettlement Plan (RP)

39. The aim of this Resettlement Plan (RP) is to mitigate all such unavoidable negative impacts due to the Project, and to resettle the displaced persons and restore their livelihoods. This RP has been prepared based on the detailed technical design on the basis of 100% census survey findings and consultation with various stakeholders. Previously an RP was prepared based on feasibility study, which was conducted in November 2011. The plan

complies with *ADB Safeguard Policy Statement 2009*², which aims to protect the rights of the displaced persons and communities. The issues identified and addressed in this document are as follows:

- assessment of type and extent of loss of land and non-land assets, loss of livelihood or income opportunities and collective losses, such as community infrastructure and amenities;
- identification of impacts on indigenous peoples, vulnerable groups and
- assessment of other social issues in the Project;
- public consultation and people's participation in the Project;
- assessment of existing legal and administrative framework and formulation of resettlement policy for the Project;
- development of entitlement matrix, provisions for relocation assistance and restoration of businesses/income;
- resettlement and rehabilitation cost estimate including provision for fund; and institutional framework for the implementation of the plan, including monitoring and evaluation.

40. Temporary land acquisition will not be required. However, if land is required for short-term storage of materials or equipment by the civil works contractor during construction, the contractor will enter into a private lease with the land owner for the required land.

G. Approach and Methodology

41. The following approach was adopted to update and finalize the Resettlement Plan document:

- a) The affected households list as it appeared in the RP 2012 was reviewed based on the final detailed designs and road alignment. A final fresh list of all affected households and affected assets is presented.
- b) The final alignments of the road were obtained from DoR to trace the affected assets.
- c) Data was collected from primary and secondary sources which including field visits and interviews with the project affected people, groups and communities.
- d) A census survey covering all affected households was carried out using a structured questionnaire as presented in Annexure 6.
- e) Consultations were held with affected families/groups (including women headed households), and their specific issues/impacts were collected.
- f) Assessment and verification was done on assets lost by households, loss of community resources/infrastructure.
- g) The resettlement plan was updated as per the resettlement policy framework. Based on this an entitlement matrix and a compensation plan is proposed.
- h) The proposed grievance redress mechanism and specify roles and functions for grievance handling at different levels was reviewed and improved based on consultations with the affected people.

² In accordance to ADB Resettlement Policy (1995) and OM F2/BP (2006), resettlement is "significant" when 200 or more people experience major impacts. Major impacts are defined as involving affected people being physically displaced from housing and/or having 10% or more of their productive, income generating assets lost.

- i) A training program (2 days) on the ADB safeguard mechanisms to the Dzongkhags and the DoR staffs at the Dzongkhag level; one in Samdrup Jongkhar and one in Pema Gatshel is conducted.

H. Eligibility

42. The following section defines those who are project affected people and who are eligible for resettlement package under the project. Project affected people include any person or persons or households who because of project activities would have their: (i) standard of living adversely affected; (ii) legally recognized title, or interest in any house, land (including residential, agricultural and grazing land) or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily, and; iii) place of work or residence or habitat adversely affected, with or without displacement.

- Project Affected Households. All members of a project affected household residing under one roof and operating as a single economic unit, who are adversely affected by the project or any of its components. For resettlement purposes, affected persons will be considered as members of affected households.
- Squatters. People who are occupying land in violation of the laws of Bhutan are not entitled to compensation for loss of land under this policy. However, if such people have uninterrupted possession of land for at least one year prior to the census, they are entitled to resettlement assistance if displaced. All displaced persons are entitled to compensation for loss of assets other than land, in particular, structures and crops.
- Encroachers People who have trespassed into RGOB/private/community land to which they are not authorized.
- Landless/Agricultural Laborer A person who does not hold agricultural land himself or jointly with any family member. Persons who work as agricultural laborers are also placed under this category.
- Vulnerable Group Distinct groups of people who are socially distressed or economically backward and who might suffer disproportionately from resettlement effects.

43. For adverse impacts on community facilities (i.e. places of worship) no financial compensation will be paid directly to individual persons or groups. DoR will rebuild the affected facilities or provide alternatives in consultation with user communities.

II. SCOPE OF LAND ACQUISITION AND RESETTLEMENT

44. The following chapter is organized into two main sections, first for the scope of land acquisition for Nganglam-Dewathang subproject, then for the Pasakha Access Road (PAR) subproject.

A. Nganglam-Dewathang Section

1. Loss of Land

45. A total of 65.29 acres of additional land is required for the subproject, out of which 62.81 acres is private land owned by 201 households and 2.48 acres of affected land belongs to 7 government agencies.

a. Type of Land

46. There are two main categories of land, they are urban and rural. Rural land is then subdivided into 3 main categories, they are: (i) dry land; (ii) wet land; and (iii) orchard. In the rural area where majority of the project area lays, there is no distinction between commercial and residential land. Table 3 presents the type of private land required for the project. The productivity of the lands are low due poor condition of soils, use of traditional varieties, plant diseases, and often crops destroyed by wild animals such as elephant, wild pigs, deer, monkeys. It is also observed that large areas are left fallow due to lack of irrigation water and constant pressure from wild animals. There is shortage of farm labor in most rural areas. Details are presented in Annexure 1.

Table 3: Summary of affected land

Gewogs	Dry land (ac)	Wetland (ac)	Orchard land (ac)	Total (ac)	# of Affected HHs
Nganglam	32.90	1.16	16.60	50.66	128
Dewathang	11.83	-	0.32	12.15	73
Sub Total	44.73	1.16	16.92	62.81	201

Source: Resettlement Census Survey, 2013

47. For the 2.48 acres belonging to 7 government agencies, all land is classified as dry land.

Gewogs	Dry land (ac)	Total (ac)
Dewathang	0.44	0.44
Chorkhorling	2.04	2.04
Total land	2.48	2.48

b. Ownership Pattern

48. All plots are independently owned and there is no joint ownership.

c. Magnitude of Loss

49. Majority of the affected households are losing less than 10% of their land in both of the Dzongkhags. As mentioned in para 46, much of the land along the road is uncultivated or fallow and thus not classified as a productive asset. 63 households stand to lose more than 10% of their land, out of which 34 households are classified as vulnerable due to the severity of loss – classified as owning less than 1.5 acres of land and losing more than 10% to the project. Special attention will be paid to these households during the implementation of the RP and they will be provided with additional assistance. Table 4a details the magnitude of loss. For public land, Table 4b provides the magnitude of loss for the affected plot.

Table 4: Percentage of affected private land by households

% Land loss	No. of Households	Area in acre
0 to 10	138	32.9
11 to 20	27	10.78
21 to 30	15	9
31 to 40	6	3.41
41 to 50	3	1.22
51 to 60	4	0.93
61 to 70	2	0.82
71 to 80	3	1.69
81 to 90	2	1.33
91 to 100	1	0.73
Total	201	62.81

Table 4b: Percentage of affected public land by agency

Scale	No. of entities	Area in Acre
Less than 5%	3	0.19
6 to 15	2	0.25
21 to 30	2	2.04
31 to 100	0	0
Total	7	2.48

d. Options of Compensation

50. The Land Act of Bhutan (2007) states that if the acquired land is less than 0.10 acres (10 decimal) then the affected plot cannot be substituted by land-for-land compensation as the parcel of land to be substituted will be too small. This means that if it is less than 0.10 acre then cash-for-land method of compensation shall be provided based on replacement cost.

51. The substitute land options made by the DPs are recorded as land-for-land (56%) and (44%) will be provided cash for land. However, majority of the DPs preferred substitute government land near to their present settlement. The reasons for land for land compensation are: (i) money will be quickly spent; (ii) save the land for future generation; (iii) land value appreciates every year.

52. Out of 201 households, 111 households (81 in Nganglam and 30 in Dewathang) are eligible for land-for-land compensation. A total of 90 households (47 in Nganglam and 43 in Dewathang) are eligible for cash-for-land compensation where their affected land is less than or equal to 10 decimal. Details are provided in table 5.

53. At the DP's request, if a DP is losing a large percentage of the plot and the remaining land parcel become economically unviable, the local authorities will work together with the DP through the grievance redressal system to find a solution and ensure that the DP's livelihoods is enhanced or at least restored in real terms relative to pre-project levels.

Table 5: Eligibility of Land-for-Land Compensation

SI	Dzongkhags	Gewog	Total area in Acre	Total affected	=/< 10 dec land affected	>10 dec land affected
1	Nganglam	Chorkhorling	44.69	114	44	70
2	Nganglam	Norbugang	5.97	14	3	11
3	Dewathang	Dewathang	12.15	73	43	30
Total			62.81	201	90	111

54. In the project areas, majority of the lands that are affected and to be acquired are all private registered lands. The productivity of the lands are low due poor condition of soils, use of traditional varieties, plant diseases, and often crops destroyed by wild animals such as elephant, wild pigs, deer, monkeys. It is also observed that large areas are left fallow due to lack of irrigation water and constant pressure from wild animals. There is shortage of farm labor in most rural areas.

e. Indirect Impact

55. During the census, none of the households were found to be indirectly impacted by the project. There are no leaseholders affected.

2. Loss of Structures

56. Based on the social survey and design data it is estimated that a total of 28 private structures and 35 government-owned structures will be affected. The 28 private structures are owned by 22 households. All the structures will be 100% affected since main structures are semi-permanent in nature and integrity of the structure will be fully compromised even if only part of the structure is within the RoW. 11 main structures of semi-permanent and temporary in nature will be affected and 17 secondary structures will be affected. Table 6 details the number of affected structures by type.

Table 6: Affected structures by type

SI No	Type of Structures	Number of
Private - Main structure		
1	Semi-Permanent	8
2	Temporary structure	3
Subtotal		11
Private - Secondary structure		
1	Fence	5
2	Water tanks	4
3	HDP/water pipe	5
4	Dry wall	1
5	Jangchub and Tshaha Chorten	2
Subtotal		17
Subtotal Private Main and Secondary		28
Government structures		

1	Water tanks	1
3	Fence	3
4	Water pipe	5
5	Concrete pillar	2
6	Telephone pole	5
7	Electric pole	16
8	Steel gate	1
9	Cable	2
Subtotal Government		35
GRAND TOTAL - ALL		63

a. Usage Pattern

57. Out of the 11 private main structures that will be effected, the usage pattern is detailed below in Table 7. The eight households residing in the residential structures will be physically displaced due to structure being fully affected or partially affected but will no longer be structurally sound. The three commercial entities being displaced are small shops selling grocery items. All displaced households have noted that they will use the salvaged materials and reconstruct the affected structures.

Table 7: Usage pattern of main structures

Type of Structure	Number of Structures	Area (sq feet)
Residential	8	1,780
Commercial	2	737
Residential + Commercial	1	703
Total	11	3,220

b. Indirect Impact on DPs by Loss of Private Structure

58. 3 renter households will be affected due to the implementation of this subproject. The level of impact is summarized in Table 8. The total area that will be affected is 1,535 square feet. For the commercial entities being displaced, they do not employ any employees.

Table 8: Summary of Indirect Impact on DPs by Loss of Private Structure

Household	Location	Affected	Remarks
1	Dewathang	Residential	Self-constructed structure
2	Dewathang	Residential	Self-constructed structure
3	Dewathang	Residential cum commercial structures	Self-constructed structure

c. Loss of livelihood

59. Three commercial entities will be displaced. All the entities are small roadside shops selling basic groceries ran by household members. Based on census survey, all three households have additional sources of income in addition to the shop and the estimate average monthly income from the shop is around Nu. 3,000. All three households will re-establish the shop after reconstruction.

3. Community Resource Property

60. 2 Community resource properties will be impacted by the project.

Table 9: Impact on Community property

	Type of Property	Location	No. of structures
1	HDP Pipe	Nganglam	1
2	Water pipe (steel)- (below lhakhang and near zero point)	Dewathang	1
		Total	2

4. Loss of Trees

61. There are a total of 14,710 private trees to be affected in the subproject affecting 135 households along the alignment. The majority of the trees to be affected are orange, bamboo and banana. A total of 1,343 orange trees are affected although most of the trees are infected by citrus greening. Table 10 provides the overview of affected private trees and Annexure 3 provides detail of trees.

Table 10: Types of affected private trees

Category	Number
Fruit trees	14,575
Private forest trees	106
Fodder trees	29
Total	14,710

5. Loss of Crops

62. Due to the hilly terrain, there are no crops planted in the affected area.

6. Vulnerable households affected in the Sub-Project

63. Out of 204 affected households 55 households are considered as vulnerable for this subproject. For calculation of poverty, Bhutan utilizes a multidimensional approach and there's no monetary amount set for poverty line.³ National estimates are based on population-weighted subgroup estimates from household surveys. Criteria for vulnerability have been determined based on consultation with local community stakeholders. The vulnerability has been assessed based on the following criteria and details can be found in Table 11 and additional details are provided in Annexure 4:

- Disabled and old members in the households
- Women-headed poor households
- Food insecure households who depend on their relatives
- Households having less than 1.5 acres of land and losing more than 10% to project (severely affected)

³ National Bureau of Statistics. Bhutan Multidimensional Poverty Index – 2012. Thimphu, Bhutan.

Table 11: Vulnerable households by category

Vulnerable Category	No. of Households
Household with disabled and old members	14
Women-head poor households	5
Food insecure households	2
Households with less than 1.5 acres of land and losing 10% of land (Severely affected households)	34
Total	55

7. Summary of Impacts

64. There are in total 290 affected plots owned by 201 private households, 7 to government and corporation. There are 3 non-titleholder affected households. A total area to be acquired is 65.29 acres for Nganglam-Dewathang national highway construction. Hundred percent of the land to be acquired are dry land and orchard land. In this affected dry land and on other remaining part of the land, people usually grow maize, chillies, tapioca, vegetables, oranges and other fruit trees.

65. The immediate impacts of land acquisition are (i) loss of land; (ii) loss of structures (permanent house, temporary house, water taps, water tanks, fence, stores and shops); and (iii) loss of fruit and fodder trees having economic values.

66. A summary of the project affected assets is presented in Table 12.

Table 12: Summary Profile of Project Affected Assets

Impacts		Number
1	Number of affected households	204
2	Private land affected (acres)	62.81
3	Government land affected (acres)	2.48
4	Number of households receiving cash compensation for affected land	90
5	Number of households opting for land compensation	111
6	Numbers of plots affected	290
7	Displaced households losing 10% or more productive assets	50
8	Number of displaced persons losing 10% or more productive assets	321
9	Physically displaced households	8
10	Number of vulnerable households	55
11	Non- title holders (households)	3*
12	Residential structure	8
13	Commercial structure	2
14	Residential + commercial structure	1
15	Secondary structures (fences, gates, walls, and etc)	17
16	Government Structures	35
17	Community assets	2
18	Number of private trees affected	14,710

Note: 1. The data is based on the cadastral survey of the National Land Commission. After the better begging and demarcation the numbers may change slightly.

2. Structures fall under 3 categories (permanent (concrete flooring, CGI sheet roof, brick foundation, semi-permanent (wall made of wood, floor concrete, roof CGI sheet) and temporary (no flooring, wall made from bamboo and roof plastic)
3. The non-title holders comprises of 16 persons

B. Pasakha Access Road Subproject

67. The land acquisition for the PAR subproject is not significant. There will be 1 household affected by the development of a new bridge (Bhalujhora Bridge). Impact will be on private land and structures only. There are no trees or community resources that will be affected.

1. Loss of Land

68. The one affected household will lose 0.04 acres of land. Since it is less than 10 decimal, the compensation will be in the form of cash-for-land.

Table 13: Level of Impact for PAR

Sl.no	Name of the HH head	Tharm #	Land holding (acre)	Land (acre)	% loss
1	Nala Tshering	120	0.18	0.04	22%

2. Loss of Structure

69. Two structures will be impacted: one main structure and one secondary structure. Both will be affected 100%. The main structure is a residential + commercial structure and the secondary structure is a fence.

Table 14: Structure affected

Sl. no	Name of the HH head	Tharm #	Types of Structure Affected	Number of Structures	Area (sq ft)
1	Nala Tshering	120	Fence Temporary structure	1 1	832

3. Socioeconomic Information

70. The affected household is headed by male and consists of 2 males and 4 females. Most household members are uneducated followed by primary to high school levels of education. Business is the main source of income. The household is not vulnerable.

4. Summary of Impact

71. Table 15 provides a summary of impact for the PAR.

Table 15: Summary Subprojects Impacts

Sl.No	Type of Subproject Impacts	Number
1	Total number of plot affected	1
2	Total number of structure affected	2
3	Total area of the land affected (acres)	0.04

III. SOCIO-ECONOMIC INFORMATION AND PROFILE OF AFFECTED HOUSEHOLDS

72. The socio-economic survey covered a total of 197 households from 16 villages of 3 geogs under Nagnglam and Dewathang Dungkhags. The census survey on social assessment was targeted to cover all affected households of the project area.

A. Demography and Household Composition

73. The affected households consist of 1288 people with an average of 6.5 members per household. The household composition by age and gender is given on Table 20. Majority of the household members belong to the age group of 18 - 56 years. The overall female male ratio is 1.0 : 1.2. Of the 197 households surveyed 57 households (28.9%) are headed by females.

Table 16. Household composition by age and gender

Age groups (yrs)	Affected Households		
	Male	Female	Total
< 18 yrs	204	347	551
18-56 yrs	408	215	623
>56 yrs	93	21	114
Total	705	583	1288

B. Occupational Pattern

74. The occupation pattern of the affected households is given on Table 17. Three hundred nineteen members (25%) actually work in the farms. However, one thousand members (77%) depend on agriculture for their livelihood. There are 365 (29%) students, followed by civil servants (14%), monks (4%), businessmen (4%) and army (1%). their skills among the members include weaving 278 (21.5%), carpentry 44 (4%), and mason 9 (1%). There are 157 people below the age of 18 that are not attending school. As reflected in para 76, educational level is quite low in the project area with inadequate connectivity, school attendance rate and enrolment rate is low. Improved connectivity provided by the project will positively impact school attendance. Young children below school age are not included in analysis.

Table 17: Occupational pattern

Occupation type	All members		Head of the households	
	Occupation	%	Occupation	%
Farmer	319	25	74	38
Civil servant	178	14	7	4
Monks	46	4	0	0
Business	46	4	14	7
Army	11	1	0	0
Others	294	23	0	0
Wage workers	0	0	3	2
Other jobs	0	0	42	21
Student	365	28	0	0
No response	0	0	57	29
Total	1259*	100	197	100

* 29 people are young children below school age.

75. Among the head of the households 38% were farmers, 21% other jobs, 7% business, and 21% did not respond. Among the affected households, all members are Buddhists and belong to *Sharchop* ethnicity.

C. Education level

76. Thirty-seven percent of the members of the households are illiterate, 25 % studied up to primary level, 19% attained high school level education, 6% are graduates and 3% with monastic education (Table 18). Young children below school age are not included in analysis.

Table 18: Education level

Education level	Members of households	Percentage %
No education	448	36
Primary	312	25
Class X	235	19
Class XII	140	11
Graduate	79	6
Monastic	37	3
Non Formal	8	1
Total	1259	100.0

D. Land use system

77. The land use practice of the affected household is presented in Table 23. The land use type is predominantly dry land (over 476 acres), followed wet land 205 acres and pasture land 192 acres. Most of the land is owner operated. A significant area under dry land and wet land is kept fallow by the affected households. Labour shortage, wild animal damages and lack of irrigation water are the main reasons for keeping the land fallow. The Average land holding is 4.7 acres per household. The land use practices are described in Table 19 and Table 20 details the land use practices in the area.

Table 19: Land use types (area in acres)

	Dry land	Wet land	Orchard land	Pasture land	Kitchen gardens	Total
Registered area	448.2	204.2	124.9	35.5	104	916.8
Unregistered area	28.0	1.5	3.9	156.5	-	189.9
Total	476.2	205.7	128.8	192.0	104	1106.7
Owner cultivated	246.9	88.5	142.7	2.1	-	480.2
Leased	23.3	0.5	2.4	3.7	-	29.9
Fallow	155.5	32.2	80.4	23.2	-	291.3
Total	901.9	326.9	354.3	221	104	1908.1
Average	2.3	1.0	0.6	0.2	0.5	4.7

Table 20: Land use practices

Land type	Land use practices
Wetland (cultivated)	Wetland is mainly for cultivation of rice in terraced land. It may be irrigated or rain-fed. Rice is planted in June and harvested in October. Normally kept fallow after

Land type	Land use practices
	rice. Some farmers grow winter crops like wheat, mustard, and vegetables.
Dry land (cultivated)	Maize and potato are the main crops grown in dry land rain-fed condition. The crop is sown in February-March and harvested in August. Some farmers intercrop maize with grain legumes like soybeans Minor cereals (millets, buckwheat, barley) are also grown in dry land rain-fed condition. Mustard is also grown under dry land condition sown in November and harvested in March.
Dry land/Wet land (fallow)	Land may be kept fallow due to following reasons: <ul style="list-style-type: none"> • Fields are too far from the homestead and difficult to guard from wild animals. • For grazing cattle • Lack of labour in the family to cultivate
Kitchen Garden	Area for growing vegetables in the back yard.
Pasture land	Grazing cattle.

78. Wild animal damage to crops (mainly by wild pigs) is a national issue in Bhutan. The Ministry of agriculture is promoting various control options but there are no easy solutions to this problem. Electric fencing is effective for controlling wild pigs but is expensive.

E. Area and Production of Crops

79. The main cereals grown include maize, minor cereals (buckwheat, wheat, millet) and rice. A summary of area and production under different crops is given in Table 251 Maize is the main crop grown in terms of acreage and production. Other crops grown include orange, vegetables and zinger mainly grown as cash crops.

Table 21: Area and production of major food crops

Crops	Harvested Area (acres)	Production (kgs)	Yield kgs/ac	QTY sold (kgs)
Maize	299.2	385177	1287	1424.5
Minor cereals	15.0	9123.5	608	0.0
Rice	8.2	16700.0	2037	12.5
Orange	67.9	380820	5609	380820
Zinger	11.4	13482	1183	10345.0
Areca nut	4.8	89421 nos		All
Vegetables	40.5	26008	642	11580

80. Eighty-three percent of the affected households reported that the food production is enough to meet their requirement (Table 22). The other 16 respondent noted that household level production is not enough to meet domestic requirements, however, they are able to purchase or trade to meet consumption requirement. Only 4 households reported that there are seasonal food shortages. The households with limited land holdings report that generally there are not enough marketable surpluses.

Table 22: Food self-sufficiency

	Number of households reporting		
	Yes	No	No response
Is the household level food production enough to meet the domestic requirement?	83	16	98
Are there seasonal food shortages?	4	91	102

F. Livestock owned

81. The main livestock owned by the affected households include cattle, horses, mules, and poultry (Table 23). No improved breeds of livestock have been introduced. Nevertheless, cattle form important component of the farming providing milk and milk products, FYM, and drought power. Horses and mules are mainly used for transporting goods. There will not be a major impact on the mule/horse owners after the road since transporting by mules/horses is not the major source of income.

Table 23. Type and numbers of livestock owned by households

Type	Numbers
Cattle	181
Lactating cows	47
Horses/Mules	52
Poultry	537
Pig	24
Others	2

G. Main sources and levels of annual income

82. Table 24 below provides the main sources of income and income levels for the affected households. Major source of income include sale of agricultural and livestock products, business, salary, carpentry, and cash remittances received from the employed relatives in the country, sale of. The sales of agriculture and livestock products are normally not surplus sales but rather distress sales for cash income. The cash income from employed relatives in the country is a regular income and not a loan. Weaving is mainly done by women. They normally weave dresses for men and women which are either sold locally or are sent to the nearest town through relatives for sale. It can be assessed from the census and survey that majority of affected people do not rely on land-based income generating activities as only 88 households are involved in some type of sales of agricultural products. This is due to the hilly terrain and lack of cultivable land. Business and trading was observed to be the main source of income followed by salary from government services and carpentry.

83. The income statement is mainly based on the cash received at hand. The farm products which are consumed and not sold but bartered are not reflected in the income statement. The annual average household income for the year 2012 was Nu 52,299.

Table 24: Income sources and the level of income of the affected households

Sources	Average annual cash income (Nu)	Nos of HHs involved
1 Sale agricultural products	31365	88
2 Sale of livestock products	50617	30
3 Sale of animals	22750	14

4	Business/trading	216286	35
5	Weaving	14040	21
6	Carpentry jobs	95024	21
7	Casual labour	23696	48
8	House construction works	18461	24
9	Transporting goods (manually)	20456	25
10	Hiring out mules/horses	5000	1
11	Cash remittances from relatives	31972	109
12	Salary (Govt. Service)	97923	41
Annual av. total household income		52299	

H. Expenditure pattern

84. The annual average household expenditure incurred by the affected households is given on Table 25. The households mainly incurred expenditures on children education, purchase of essential food items, repair of houses, hire of labour, expenses on hire of labour, expenses on health, purchase of clothes and contribution for *Rimdo*. The average annual household expenditure was Nu 23,220 which is less than the annual income. This does not really mean there is cash surplus. There could be a under reporting on expenditure of the households since proper records are not maintained.

Table 25: Expenditure pattern

Type of expenditure		Average annual expenditure (Nu)	Nos of HHs involved
1	Children schooling expenses	46265	109
2	Purchase of essential food items	20472	175
3	Purchase of agricultural inputs	3110	23
4	Purchase of livestock inputs	3583	58
5	Expenditure on hire of labour	21999	46
6	Purchase of clothes for the family	8851	140
7	Expenses on health	10208	100
8	Expenses on fuel for cooking, lighting	5057	171
9	Cost of repair and maintenance of house	114510	48
10	Rimdo	7577	161
11	Contributions	4630	164
12	Others	32378	8
Total household annual income		278640	1203

I. Displaced Households

85. A total of 50 households losing more than 10% of the land and other properties are considered as Economically Displaced Households out of which 8 households are physically displaced. For the 8 households who are physically displaced assistance will be provided in re-locating them. The cost of shifting and relocation will be covered.

86. For all the economically displaced households income restoration is proposed through special assistance in terms of provision of agriculture inputs such as seeds and seedlings of improved crop varieties in order to enhance their incomes. Each household will receive such inputs worth Nu 10,000.

IV. PUBLIC CONSULTATION AND DISCLOSURE OF INFORMATION

87. To ensure peoples' participation in the planning and during this study of this sub-project and to treat public consultation and participation as a continuous two way process, numerous events were arranged at this stage of sub-project preparation. Aiming at promotion of public understanding (DPs and other beneficiaries) and fruitful solutions of developmental problems such as local needs and problem and prospects of resettlement, various sections of DPs and other stakeholders were consulted through focus group discussions and individual interviews. Consultations and discussions were held along the sub-projects with the affected families and other stakeholders including village and geog heads, heads of households, women's groups, farmers, business communities, and other vulnerable DPs.

A. Objectives of Consultation Meetings

88. Per ADB SPS, meaningful consultation refers to a process that (i) begins early in the project preparation stage and is carried out on an ongoing basis through the project cycle; (ii) provides timely disclosure of relevant and adequate information that is understandable and readily accessible to affected people; (iii) is undertaken in an atmosphere free of intimidation or coercion; (iv) is gender inclusive and responsive, and tailored to the needs of disadvantaged and vulnerable groups; and (v) enables the incorporation of all relevant views of affected people and other stakeholders into decision making, such as project design, mitigation measures, and sharing of development benefits and opportunities, and implementation issues. To meet requirements, consultations with the communities began at the feasibility design stage in 2010-2011. Consultations took place in public spheres without intimidation or coercion with large number of community and stakeholders participating. Women and vulnerable groups have been included in discussions and communities have had input into project design, especially regarding drainage and alignment along the six newly connected communities. Once the project is approved, project information, including information on entitlements, grievance redress will be disclosed in public spaces as well as by brochures to the communities.

89. The objectives of the consultations were as follows:

- To discuss the project with affected beneficiary communities and seek their views and perceptions;
- To identify social impacts and issues concerning Project Affected People (PAPs)
- Identify PAPs whose properties (lands, houses, sheds, commercial structures, fruit orchards/trees) are affected by the proposed road alignment.
- Perceptions of PAPs on the losses and preferred modes of compensation, in line with RGoB and Bank Policy, for compensation.
- Information on type and extent of common properties and intangible assets.
- Information on public infrastructure and community services that will be affected
- Identifying local organizations and social institutions that can be enlisted in designing and implementing resettlement provisions and preference regarding potential resettlement options.
- Any other issues for Planning Resettlement

B. The Consultation Procedure

90. The primary stakeholders of the Project have been identified as those residing in and around the vicinity of the proposed roads. Apart from the DPs, the other stakeholders identified are; MoWHS (DoR), NLC (Land and Survey Division), and Dzongkhag/Dungkhag Administration (Dzongkhag Agriculture Officer [DAO] and Dzongkhag Forest Officers (DFO), Finance Officer

(FO), Land Record Officer (LRO), Dzongkhag Survey Officer, Gup, Mangiap and village Headmen.

91. The consultation meetings with the affected people were held on 19-22nd June and 20-27th September 2013 separately for the Dewathang and Chokorling gewogs. The meeting for Chokhorling geog was held on 2013 below Lhakhang (near Tshogpas house). The meeting was attended by Tshogpa in Chokhorling village and by the Gup in Dezema village. Whereas in Dewathang 3 meetings were held. First with the Gup and the rural people and then with the Engineer of the Thrompon office with the urban people and with Dasho Thrompon, Thuemi and staff from Thrompon office with the urban people. A total of 166 households or their representatives attended meeting in Dezama, Chokorling and in Dewathang.

92. The main objective was to brief all affected households. The meeting was attended by Dasho Thrompon, Gup, Tshogpa to disseminate information about the Project Road including land acquisition, government policies, compensation options. On options for compensations, the meeting discussed cash compensation. Majority opted for cash compensation. Details of consultations including dates, location, list of participants, key issues and concerns raised were recorded.

93. Focus group discussions were conducted with mainly the affected households at Dezama, Chokorling and at Dewathang during the period 19 June 2013 and 20-27 September 2013. These meetings were organized to get wider public input from both the primary and secondary stakeholders. A total of 166 affected households participated in the discussions (Table 26).

Table 26: Focus Group Discussions

Sl. No.	Villages/location for the consultation	No. of participants
1	Dezama	21
2	Chokhorling	38
3	Dewathang	107
Total		166

Source: Resettlement Census Survey, 2013

C. Scope of Consultation and Issues

94. During the public consultations along with census and socio-economic surveys, the study team looked into: obtaining views of the community on resettlement and rehabilitation issues and rehabilitation options;

- Identify and assess the major socio-economic characteristics of the villages to enable effective planning and implementation;
- Looked into the concerns of the DPs, with reference to land acquisition and road alignment;
- Obtain opinion of the community on issues related to the impacts on community infrastructure and relocation of the same;
- Examine DPs' opinion on problems and prospects of road related issues;
- Identify people's expectations from subprojects and their absorbing capacity; and
- Finally, to establish an understanding for identification of overall developmental goals and benefits of the Project.

D. Perceptions, expectations and participation of the community

95. Chokorling village under Chorkhorling gewog is 1 hour walk from the nearest road head at Chokorling Gewog Centre. The remotest is Khalatsho village under Chorkhorling gewog which is 3 hours walk from nearest road. The people in both the villages have been facing problems in transporting goods to their villages and people have to transport their goods through horse or mule or contribute labor in transporting goods. They are happy that all these problems will be solved very soon with the construction of road.

96. The people thanked government and the ADB for bringing road/connecting their villages. All APs and their representatives expect that their living condition will improved after road construction. All affected households participated during the survey of road alignment with the road surveyors. They said that they will provide full support and cooperation for the implementation of the road project.

97. The people feel that the road will bring easy access to all basic service facilities and the travel time and cost of transportation will be reduced. The community would like to expand cultivation of mainly orange, maize and livestock products.

E. Benefits from the road project

98. The road would bring development to the rural areas/villages. The road will help improve access to better health facilities, market, education, income generation thereby improving the living standard of the people. The service facilities like schools, BHU will be upgraded; access to health services will improve with better health care services in the geogs/villages.

99. Although there are shops in the village/geog, once the road is constructed, more people would venture into business. With more shops and competition among the businessmen, the farmers will be benefited since they can buy goods at cheaper rates.

100. Presently farmers have to contribute labor or use horse/mule for transportation of goods for the community services in the villages. The villagers said they face more problems if goods are to be carried to long distance especially to Khalatsho. With such development opportunities like road construction farmers will be relieved from contributing free labor for any new construction and from carrying goods for schools and BHU.

101. The people also said that most youth do not like to stay in the village due to its remoteness and prefer living in the urban areas with or without jobs. With the road connecting the village, the migration of people to other places would be reduced and there are possibilities that youth who had already migrated to other places might come back to the village for better opportunities. Specifically, the road will contribute to the following areas.

102. **Enhanced agricultural production.** Farmers in the villages have transportation problems. Farmers who have marketable surpluses had problem marketing their produce. Presently, due to inaccessibility to road, farmers don't produce in large quantities. The road would encourage the middlemen to come to the villages for buying surplus goods of the farmers. With the construction of road, people foresee that they will not have problem selling their produce in the market. The villagers will have option to take their surplus produce to Nganglam and Samdrup Jongkhar town for sale. There is a good potential to grow cash crops like maize, squash and Areca nut and weaving baskets are the main source of income. Linkages to local and regional market will improve with road. Technical support services from

the Dzongkhag to the villages are expected to improve after the road which will enhance their productivity and income.

103. **Enhanced services on education.** The quality of education will improve with better teachers willing to come to the village after the road is constructed. The present schools in the geog will be upgraded to higher levels in future. The road would help reduce the construction cost for the schools and transportation of goods would be easier and faster. Besides, the road would provide employment opportunities to the students to earn cash income during winter vacation.

104. **Improved health services.** The access to emergency services and regular health services will improve after the road construction. Visit by medical staff from the Dzongkhag and central will increase after the road is constructed.

105. **Easy to travel within Bhutan:** People in Nganglam Dungkhag and Samdrup Jongkhar Dzongkhag don't have to worry about strike problems if they want to travel within the two Dzongkhags or other Dzongkhags within Bhutan.

106. The affected households also expressed that the road will cause mud slides, soil erosion, and will affected cultivated areas. They suggested planting of trees to protect the soil, fencing and constructing retaining walls as a part of road construction. Majority of the households are willing to support the maintenance of the road.

F. Impact of the loss of land and property

107. The affected people reported that the land affected by the road alignment is many. Moreover structures and trees are also affected. Appropriate compensation measures were requested by the affected households.

108. In case of displacement of any household at a later stage, the community expects timely and full compensation from the government including compensation for land and other properties affected. The affected communities have agreed that they will also provide full support for maintenance of road in future.

G. Financial/Income Implications to the households

109. The affected households' economic position will not go down as long as compensation is provided. With the project road coming, the income level of PAPs should improve. The affected households would be in a condition better than now because they would have opportunities to earn income from selling cash crops, livestock products, handicrafts etc. There will also be a good opportunity to earn from wage labour after the road. There will be a good opportunity to increase production cash crops through use of improved seeds and seedlings.

H. Findings of the Focus Group Discussions

110. During group discussions, it was observed that the affected households had raised similar problems like poor road infrastructure hindering transportation of agricultural products to market and lack of access lack to schools, and referral hospital. Some of the issues that were discussed and feedback received from the affected families are summarized in the Table 27.

Table 27: Focus Group Discussion held at Nganglam Dungkhag

Road Corridor	Nganglam-Dewathang (National highway)
Village	Dezama
Date	19.06.2013 and 21.09.2013
Meeting Location	Below lhakhang (temple) near Tshogpas house
Geog	Chokorling
Dzongkhag	Pema Gatshel
Number of people:	21
Positive Impacts	<ul style="list-style-type: none"> • Enhancing more agricultural products like vegetables; • Easy transportation of agricultural cash crops to nearby market; • Easy access to hospital and school • Less dependence to travel via Indian road where they have frequent strikes • Business opportunities
Negative Impacts	<ul style="list-style-type: none"> • Destroys existing clean environment as there will be pollution. • Decrease in annual income • May lead to poverty and landless for those households, who have small holdings of 30-40 decimals. • Have to construct another house

Focus Group Discussion: Chokorling Gewog

Road Corridor	Nganglam-Dewathang (National highway)
Village	Chokhorling
Date	22.09.2013
Meeting Location	Outside Lhakhang (temple)
Geog	Chokhorling
Dzongkhag	Pema Gatshel
Number of people:	38
Positive Impacts	<ul style="list-style-type: none"> • Easy transportation of cash crops to market • Easy access to health services, school and the market • Easy to reach Nganglam town in case of emergency • Easy access to transportation • Business opportunities
Negative Impacts	<ul style="list-style-type: none"> • Noise pollution • Robbery, vandalism and accident • Soil infertility and soil erosion causing decline in agricultural production and falling of rocks • Risk of occurring crack on Goenpa (temple) and contamination of drinking water • Look for a new place to reside and start over with the construction of the houses. • Difficulty in finding substitute land • Falling of rocks

Focus Group Discussion: Dewathang Gewog, Dewathang

Road Corridor	Nganglam-Dewathang (National highway)
Village	Dewathang
Date	20.09.2013, 24.09.2013 and 27.09.2013
Meeting Location	Gup Office, Dasho Tashi Dorji house and at Jigme Namgyel Polytechnic
Geog	Dewathang
Dzongkhag	Samdrup Jongkhar

Number of people:	107
Positive Impacts	<ul style="list-style-type: none"> • Enhancing more agricultural products like vegetables • Easy transportation of agriculture products • Easy access to hospital, schools • Safe and convenient to travel via internal road
Negative Impacts	<ul style="list-style-type: none"> • Destroys existing clean environment and will cause pollution • More unknown outsiders will come

Source: SASEC Road Connectivity, 2013

I. Plan for Further Consultation in the Subproject

111. The effectiveness of the resettlement and rehabilitation of DPs is directly related to the degree of continuing involvement of those affected by the sub-project. Several additional rounds of consultations with DPs will form part of the further stages of sub-project preparation and implementation. The DoR/Dzongkhag/Dungkhag officials will be entrusted with the task of RP implementation by conducting these consultations during RP implementation, which will involve agreements on compensation, assistance options, and entitlement package and income restoration measures suggested for the sub-project. In this particular subproject, women members were also presented in the FGD and many women were involved and responded well during census and socio-economic survey. The consultation will continue throughout the sub-project implementation.

112. The following set of activities will be undertaken for effective implementation of the Plan: During the planning phase, the DPs and other stakeholders were consulted in.

- selection of the road alignment so as to minimize resettlement impacts,
- development of mitigation measures etc.
- During the implementation of RP, DoR along with the concerned Dzongkhag/Dungkhag will organize public meetings, and will appraise the communities about the progress in the implementation of sub-project works, including awareness regarding road construction.
- Consultation and focus group discussions will be conducted with the vulnerable
- groups to ensure that the vulnerable groups understand the process and their needs are specifically taken into consideration.
- To make reasonable representation of women in the project planning and implementation they will be specifically involved in consultation.

J. Disclosure of RP

113. To maintain adequate transparency in planning and to ensure further active involvement of DPs and other stakeholders, the sub-project information will be disseminated through disclosure of Resettlement Planning document. A resettlement information leaflet containing information on compensation, entitlement and resettlement management adopted for the sub-project will be made available in local language(s) and distributed to DPs after the approval of the RP by the RGoB. Each DP will be provided information regarding specific entitlements. The DoR/Dzongkhag/Dungkhag officials will keep the DP informed about the impacts, the compensation and assistances proposed for them and facilitate addressing any grievances. A copy of the RP will be disclosed through the DoR, MoWHS website and also in the ADB website.

V. RESETTLEMENT POLICY, LEGAL FRAMEWORK

A. Objective

114. The legal framework and principles adopted for addressing resettlement issues in the Project have been guided by the existing legislation and policies (Land Act of Bhutan amended in 2007, Land Compensation Rates 2009 (PAVA), Cash Compensation Rates for fruit trees 2009, Department of National Properties, Ministry of Finance, Cash Compensation Rate for Private Forest trees 2010, Department of National Properties, Cash Compensation Rate for Fodder trees, Department of Livestock Animal Nutrition Division, National Center for Animal Nutrition, Bumthang and BSR 2012) of the RGoB, and the Asian Development Bank. Prior to the preparation of the Resettlement Plan, a detailed analysis of the existing national policies was undertaken. The section below provides details of the various national level legislations studied and their applicability within this framework.

B. ADB Policy on Involuntary Resettlement

115. The objectives of ADB's SPS (2009) with regard to involuntary resettlement are: (i) to avoid involuntary resettlement wherever possible; (ii) to minimize involuntary resettlement by exploring project and design alternatives; (iii) to enhance, or at least restore, the livelihoods of all displaced persons in real terms relative to pre-project levels; and (iv) to improve the standards of living of the displaced poor and other vulnerable groups.

116. ADB's SPS (2009) covers 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 displaced persons whether such losses and involuntary restrictions are full or partial, permanent or temporary.

117. It is important to note that ADB policy covers all categories of Displaced Persons (DPs) and requires the implementing agency (viz. the DoR) to pay for all land and all other assets affected by the project and to implement measures for income restoration. The Bank recognizes that Land Compensation and Resettlement Policies vary widely among its member countries and that each has its own framework for land acquisition. In most countries, this RP defines procedures for land expropriation and for compensation. When comparing these policies to those of the ADB, it is important to note that the ADB policy: (i) does not distinguish between those who do and do not have formal legal title to their assets; and (ii) emphasizes the need for replacement costs for lost assets, but also measures to restore living standards and livelihoods so that people are not disadvantaged by resettlement.

C. Existing Bhutanese Law

118. The primary legal instruments for Land Acquisition and Resettlement in Bhutan are the Land Act of 1979 (amended in 2007), which regulate ownership, sales and the compensation payable by the RGoB when land is acquired. The Land Act of Bhutan 2007 provides the acquisition mechanism for land and other property falling under the eminent domain whenever required for a public purpose. The rates of compensation are reviewed by the RGoB periodically, the latest of which is described in the Land Compensation Rates 2009 (PAVA), Cash Compensation Rates for fruit trees 2009, Department of National Properties, Ministry of Finance, Cash Compensation Rate for Private Forest trees 2010, Department of National

Properties, Cash Compensation Rate for Fodder trees, Department of Livestock Animal Nutrition Division, National Center for Animal Nutrition, Bumthang and BSR 2012) and Bhutan Scheduled Rates (BSR 2012) for the affected structures.

119. The RGoB, based on laid down classifications and regulations, will pay compensation for such land. If the family losing land becomes endangered, the Government will compensate that family the cost of the land in cash and as well as substitute land. In the case of landless people, the land can be allotted free of cost by the Government as a Kidu.

120. Both the Bhutanese and ADB guidelines related to resettlement aim at achieving the following overall goals of (i) Involuntary resettlement shall be avoided to the extent possible or minimized where feasible, exploring all viable alternatives Project designs, and (ii) where displacement is unavoidable, people losing assets, livelihood or other resources shall be assisted in improving or at a minimum regaining their former status of living at no cost to themselves.

D. Resettlement Principles for the Project

121. Following the Bhutanese Land Act of 1979 (amended in 2007) on land acquisition, incorporating ADB Policy on Safeguard Policy Statement 2009, the basic principles for the Project will include the following elements:

- As a matter of policy, land acquisition and other involuntary resettlement impacts would be minimized as much as possible;
- 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 displaced persons;
- All information related to resettlement preparation and implementation will be disclosed to all concerned, and people's participation will be ensured in planning and implementation of the Project;
- All land acquisition would be as per the Land Act 1979, (amended in 2007). Payment of compensation for acquired land and assets at replacement cost;
- 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;
- All compensation and other assistances will be paid to all DPs prior to commencement of civil works on the site acquired;
- Broad entitlement framework of different categories of project-affected people has been assessed and is specified in the Entitlement Matrix. Provisions will be kept in the budget for those who were not present at the time of the survey. However, anyone moving into the sub-project area after the cut-off date⁴ will not be entitled to assistance;
- Income restoration and rehabilitation;
- All activities related to resettlement planning, implementation, and monitoring would ensure involvement of women. Efforts will also be made to ensure that vulnerable groups are included; and

⁴ The cut-off date for those who have legal titles of their land/asset is to notify the landowners of the Government intention to acquire land at least 120 days prior to the acquisition of land. (Reference: Section 156 and 157 of the Land Rules and Regulations of the Kingdom of Bhutan 2007).

- Appropriate grievances redress mechanism to ensure speedy resolution of disputes.

122. In accordance with the resettlement principles suggested for the Project, all affected households and persons will be entitled to a combination of compensation packages and resettlement assistance depending on the nature of ownership rights on lost assets and scope of the impacts including socio-economic vulnerability of the displaced persons and measures to support livelihood restoration if livelihood impacts are envisaged. The displaced persons will be entitled to the following seven types of compensation and assistance packages:

- Compensation for land at replacement cost, or land for land;
- Compensation for structures (residential/commercial) and other immovable assets at replacement cost;
- Compensation for cash crops/fruit trees/annual crops at market value; Assistance for shifting and rebuilding the DPs' structures;
- Rehabilitation assistance in lieu of the loss of business/ wage/income/livelihood;
- Special assistance for vulnerable groups; and
- Rebuilding and/or restoration of community infrastructure and amenities.

123. A comparison of the RGoB and ADB policies on safeguards is given in Table 32.

Table 32: Comparison of RGoB and ADB Policies

ADB's Safeguards Policy Statement 2009	RGoB Policies
Involuntary resettlement should be avoided wherever possible	This principle is equally emphasized.
Minimize involuntary resettlement by exploring project and design alternatives	As far as possible, RGoB also aims to minimize displacement.
Conducting census of displaced persons and resettlement planning	Detail lay out procedure for census survey and resettlement plan.
Carry out meaningful consultation with displaced persons and ensure their participation in planning, implementation and monitoring of resettlement program	Displaced persons shall be thoroughly consulted and their views pertaining to the project should be highlighted.
Establish grievance redress mechanism	Project involving involuntary resettlement needs to have Grievance redress mechanisms for displaced persons.
Support the social and cultural institutions of displaced persons and their host population.	This is emphasized in the Land Act of Bhutan, clause 146.
Improve or at least restore the livelihoods of all displaced persons	This is emphasized in the Land Act of Bhutan, clause 155.
Land based resettlement strategy	Loss of asset to be compensated to the extent of actual loss.
All compensation should be based on the principle of replacement cost	The compensation award shall take into account the market value of the property being acquired (BSR 2012 with quick cost guide approach), also reflected in Land Act of Bhutan, clause 149.
Provide relocation assistance to displaced persons	Dzongkhag, geog key stakeholders will assist relocation to the displaced persons.

ADB's Safeguards Policy Statement 2009	RGoB Policies
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.	No compensation will be made if the land is not registered in the Tharm.
Disclose the resettlement plan, including documentation of the consultation in an accessible place and a form and language(s) understandable to affected persons and other stakeholders.	This principle is equally emphasized.
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.	This is not mentioned.
Pay compensation and provide other resettlement entitlements before physical or economic displacement.	This principle is equally emphasized in Land Act of Bhutan 2007, clause 158.
Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons.	This is not mentioned.

E. Summary of key gaps between RGoB Policy and ADB SPS

124. The main gaps between the RGoB and ADB SPS are as follows: (i) Non-title holder (squatters and encroachers, share croppers, tenants, land less) are not compensated or assisted under RGoB law, and (ii) no provisions are made for community resources.

F. Valuation of the affected land

125. The Project will therefore pursue land-for-land compensation as much as possible as stipulated in the Land Act of 1979 (amended in 2007), and, where necessary or opted by those affected, provide other assistance as well as other support mechanisms to those deemed as vulnerable or at risk. Replacement land of equal or better productive value will be offered as an option to those losing 10 decimal or more of their holdings, or where loss of land threatens the economic viability of the household.

126. For land for land, the location of replacement land to be allotted in Project areas shall be in the order of preference of same village and gewog (clause 155, Land Act of Bhutan 2007). The RGoB will provide the landowner with replacement land commensurate to the value of the land acquired (clause 156, page 39, Chapter 7, "Acquisition of Registered Land", Land Act of Bhutan 2007). The land under acquisition will be taken over only after registering the replacement land in the name of the affected landowner or the cash compensation in replacement cost has been made to the landowners (clause 158, Land Act of Bhutan 2007). Cash compensation in replacement cost would be based on the latest government published rate, currently the Land Compensation Rates 2009 (PAVA rates)⁵. The valuation will be based on the latest government rate and then negotiated where appropriate to ensure replacement cost. The difference between the compensation determined by the Dzongkhag and the replacement cost determined by the Block Development Committees will be paid as a

⁵ The government rate is anticipated to be updated in latter part of 2014 by the owning body, which is the Ministry of Finance.

productive asset cash grant by the Project. If the compensation and the replacement cost are not acceptable to the DPs, they would have recourse to grievance redress mechanism as defined in this RP.

G. Valuation of affected structures

127. Compensation for loss of structures would be carried out on replacement cost basis based on the Bhutan Schedule of Rates (BSR 2012) quick cost guide, Samdrup Jongkhar- base town with applicable cost index of 25.0% and inflation of 5.0% annually. The BSR 2012 was used as there is no quick cost guide for BSR 2007, 2009 and 2011. Affected households would be allowed to retain the salvaged materials and due assistance would be provided for shifting (provision of transport) of salvaged materials to the new site and assistance in rebuilding the structures by DoR.

H. Valuation of cash crops/ fruit trees/ annual crops

128. The valuation for the affected cash crops, fruit trees and annual crops will be on a replacement cost basis based on the latest Compensation Rates 2009 for land, Cash Compensation Rates for fruit trees 2009, Department of National Properties, Ministry of Finance, Cash Compensation Rate for Private Forest trees 2010, Department of National Properties, Cash Compensation Rate for Fodder trees, Department of Livestock Animal Nutrition Division, National Center for Animal Nutrition, Bumthang and BSR 2012) and Bhutan Scheduled Rates (BSR 2012) for the affected structures. Based on survey of market prices in the area for different types of crops and trees, the current rates are equivalence to the replacement cost.

I. Income Restoration Measures

129. The Block Development Committee, Dzongkhag/Dungkhag authority and DoR will assist the DPs in the income restoration measures as follows:

- In cases where the displacement caused by the Project leads to a loss of livelihood or income opportunities, either temporarily or permanently, assistance will be given to the affected population to reestablish their livelihood and income, and to compensate for temporary losses.
- The unit of entitlement eligible for support in such cases will be the adult individual, both men and women. All adult members of households affected in this way will be eligible for support.
- In the case of road projects, a common loss is the displacement of a business structure such as a small roadside shop. The Project will assist such businesses in relocating, and in continuing their preferred occupation without loss of customer base.
- If the Project impact leads to people being unable to continue with their previous occupation, the Project will provide support and assistance through alternative employment strategies. Where possible, DPs will be given employment opportunities created by the Project, such as work with construction or maintenance.
- Particularly in the case of landless families who suffer partial or total loss of livelihood as a result of the Project, RGoB would, as part of its normal policy, allot land free of cost to such affected families in the same district. Those who become landless as a result of the land acquisition due to the Project would be

allotted land free of cost as well as cash compensation for the cost of the land lost.

J. Cut-off Date

130. The cut-off date for those who have legal titles of their land/asset is to notify the landowners of the Government intention to acquire land at least 120 days prior to the acquisition of land. (Reference: Section 156 and 157 of the Land Rules and Regulations of the Kingdom of Bhutan 2007). For non-titleholders those without land such as encroachers the cut-off date is the date of the Project census survey, which is September 30, 2013. People moving in the subproject area after the cut-off date will not be entitled to any kind of compensation or assistance as per provision made herein.

VI. ENTITLEMENTS, ASSISTANCE AND BENEFITS

131. The Entitlement Matrix has been formulated according to the resettlement principles for this Project and specifically reflects various types of losses resulting out of the particular subprojects and specific compensation and resettlement packages. Compensation for the lost assets to all displaced persons will be paid on the basis of replacement cost. Resettlement assistance for lost income and livelihoods will be provided to the affected households.

132. Special resettlement and rehabilitation measures will be made available to the Vulnerable Group. They have limited access to formal credit and have high dependency burdens on their relatives. Therefore the vulnerable group deserves special attention which could be in the form of economic assistance. It is proposed to provide them with one time economic rehabilitation in the form of 3 months wages @ Nu.200 per day per household as per the Entitlement Matrix.

Table 28: Entitlement Matrix

Type of Loss	Application	Definition of APs	Entitlement	Responsibility	Remarks	# of HH
1. Agricultural land by titled owners (private property)	Land on the project right of way (ROW)	Titleholders	Affected plot is more than 10 decimals: Option of Land-for-Land and/or Cash-for-land Affected plot is less than 10 decimals: Cash-for-land Compensation at replacement value.	Dzongkhag, DoR and Agriculture Department	<ol style="list-style-type: none"> The difference between the compensation determined by the Dzongkhag and the replacement value determined by the Block Development Committees will be paid as a cash grant by the project. If a portion from the total land holding of the individual is acquired by the project, the following options will be given: <ul style="list-style-type: none"> The AP keeps the remaining land and the compensation and assistance is paid to the AP for the land to be acquired. If the AP is from a vulnerable category, compensation for the entire land is by means of land-for-land if preferred by the AP, provided that land of equal or better productivity is available. Land for land or cash compensation. In case of developed land being acquired and substituted by an undeveloped land, the owner in such cases shall be compensated with half the cost land for land development purpose. In case the owner is endangered of becoming landless, the affected owner will be compensated the cost of land as per the Land Compensation Rates 2009 as well as substitute land free of cost. 	202
2. Homestead and commercial land (private property)	Land on ROW	Titleholders	Compensation at replacement cost.	Dzongkhag and DoR	Cash compensation at replacement value. If there is a difference between the latest published Land Compensation rate and replacement value, difference in value will be covered by grant by DoR.	0
3. Residential and commercial structures by owners (private property)	Structure within the ROW	Owners of structures	Compensation at replacement cost.	Dzongkhag and DoR	<ol style="list-style-type: none"> Cash compensation to be paid by the Dzongkhag. The amount of depreciation deducted by the Dzongkhag will be covered by a cash grant by DoR. DoR will help in shifting and in rebuilding the structures of the owners. 	23
4. Tenant – residential or commercial	Affected by ROW	Tenant	Compensation	Dzongkhag and DoR	<ol style="list-style-type: none"> The amount of deposit/advance paid to the landlord or the remaining amount at the time of acquisition (to be deducted from the payment to the landlord) is to be based on Tenancy Act of RGoB 2004. The tenant has the right to salvage material from the demolished structure constructed by him/her. DoR will assist in shifting and in rebuilding the 	3

Type of Loss	Application	Definition of APs	Entitlement	Responsibility	Remarks	# of HH
					structures of the tenant. 4. Lump sum rental assistance of 2 months current rental rate	
6. Income from business or land through wages and other employment	Households affected by ROW	Individual	Lump sum	DoR	1. Persons directly affected by project will be given priority by DoR to re-employ during the implementation of project. 2. One time economic rehabilitation grant (in the form of 3 months wages) per household.	3
7. Annual / seasonal crops	Households affected by ROW	Household	Notice to harvest standing crops	Dzongkhag, DoR and Agriculture Department	Compensation for lost crop will be paid as per the Compensation rates 2008/2009 for cash crops/fruit trees/annual crops. The difference between the Compensation rates 2008/2009 for cash crops/fruit trees/annual crops and the market price for lost crop will be covered by providing free seeds and seedlings.	0
8. Trees/Perennial cash crops	Households affected by ROW	Household	Compensation following Govt procedures.	Dzongkhag, DoR, Agriculture Dept.	Compensation for tree cash crops will be based on Compensation rates 2008/2009 for cash crops/fruit trees/annual crops and the existing procedure of the Ministry of Agriculture which supports the compensation in cash for loss of income from the cash crops.	135
9. Encroachers	Households affected by ROW	Household	No compensation for land; assistance to vulnerable households	Dzongkhag and DoR	1. One time economic rehabilitation grant (in the form of 3 months wages) for vulnerable encroachers (e.g., households below the poverty line) will be assisted. 2. Cut-off date for this entitlement is the date of the survey.	0
10. Structures by squatters and informal settlers	Households affected by ROW	Household	No compensation for land; compensation for structure at replacement cost and assistance to vulnerable households	Dzongkhag and DoR	1. The squatter has the right to salvage material from the demolished structure. 2. DoR will assist in shifting and in rebuilding the structures for the squatters. 3. One time economic rehabilitation grant (in the form of 3 months wages) for vulnerable groups per household 4. Cut-off date for this entitlement is the date of the survey.	3
11. Primary source of income	Households affected by ROW	Individual	Assistance for income restoration	Dzongkhag and DoR	1. One time economic rehabilitation grant (in the form of 3 months wages) for vulnerable groups per household. 2. Preferential employment in the project, especially for women and the poor. 3. Assistance in finding alternate jobs	3
12. Vulnerable Households	Households affected by ROW	Household	Assistance for income restoration	Dzongkhag and DoR	1. One time economic rehabilitation grant (in the form of 3 months wages) 2. Preferential employment in the project	55

Type of Loss	Application	Definition of APs	Entitlement	Responsibility	Remarks	# of HH
13. Community infrastructure and amenities	Affected by ROW	Community	Replacement	Dzongkhag and DoR	Cultural properties will be conserved by special measures such as relocation, replacement in consultation with the community. Compensatory afforestation will replace loss of trees.	2
14. Other impacts not identified	Households affected by ROW	Individual	Additional assistance	Dzongkhag and DoR	Unforeseen impacts will be documented and mitigated based on the principles agreed upon in this policy framework.	TBD

DoR = Department of Roads, RGoB = Royal Government of Bhutan, ROW = right-of-way.

VII. RESETTLEMENT BUDGET AND FINANCING

A. Resettlement overall cost estimates

133. The compensation and assistance cost will be borne by the Project. The total budget needed for the resettlement is 23,089,338. A sum of Nu 990,000 has been proposed as support to the affected vulnerable groups. A sum of Nu 500,000 has been proposed for the income restoration of 50 economically displaced households. For monitoring a sum of Nu 1,000,000 is proposed. From the total amount 10% is proposed as a contingency budget.

134. The DoR under the RGoB will bear the costs of land and compensation payable to the DPs through concerned Dzongkhag/Dungkhag.

Table 29: Summary of budget for the resettlement

	Items	No. of HHs	Unit	Unit Cost	Total	
LAND			Acres	Nu/acre	Nu	Remarks
Nganglam	Dry land (class A)	10	0.44	564,632	222,532	The total cost has been calculated based on: PAVA land price, distance from the road, water availability, and land topography. The budget includes only those households who have opted for cash-for-land compensation Please refer Annexure 1
	Wet land (class A)	1	0.03	565,307	19,899	
	Orchard land (class A)	17	0.78	590,215	488,671	
	Dry land (class C)	14	0.42	228,777	99,680	
	Wet land (class C)	2	0.019	272,599	5,479	
	Orchard land (class C)	3	0.06	265,325	16,339	
Sub-total		47	1.75		852,614	
Dewathang	Dry land (class A)	26	1.81	505,760	930,322	
	Orchard land (class A)	2	0.032	526,584	18,485	
	Urban (Commercial)	14	0.35	1,575,565	559,444	
Sub-total		42	2.19		1,508,251	
Pasakha	Urban	1	0.04	153,806	615,224	
Sub-total		1			615,224	
Land Subtotal		90			2,976,089	
STRUCTURES (Private)		Number			Total (Nu)	Remark
Nganglam		18			1,195,760	Please refer Annexure 2 Remark
Dewathang		10			277,350	
Pasakha		2			515,000	
Structures (Private) Sub-total		30			1,988,110	
STRUCTURES (Government)		Number			Total (Nu)	
Structures (Government) Sub-total		35			8,893,361	

TREES		Number			Total (Nu)	Remark
Nganglam	Fruit trees	9,851			4,451,136	Please refer Annexure 3
	Fodder trees	15			2,100	
	Private forest trees	5			196,992	
Sub-total		9,869			4,669,468	
Dewathang	Fruit trees	4724			1,311,310	
	Fodder trees	14			19,617	
	Private forest trees	101			289,356	
Sub-total		4839			1,620,283	
Tress Sub-total					6,289,751	

Vulnerable Households		Number	Unit	Unit Cost	
Assistance	3 months at 200 Nu/day	55	90	200	990,000
Income restoration					
Assistance	Support for Ag Input	50		10,000	500,000
Rental					
Assistance	Support for tenants	3	2	2,000	12,000
Monitoring					
Lumpsum		1	1	1,000,000	1,000,000
Administration					
Lumpsum	Consultation, GRCs	1	1	20,000	200,000
Total					20,990,353
Contingency	10% of the total				2,099,035
Grand Total					23,089,338

Note: The calculations have been based on the following:

- 1) **Land:** As per Compensation Rate 2009: factors taken into consideration based on classes of land. For rural compensation rates based on: 1.Distance from the highway/feeder road. 2. Water availability on the land. 3. Topography of the land
- 2) **Trees unit cost:** As per 2009 compensation rate, Department Of National Properties, Ministry of Finance for fruit trees and 2010 compensation rate for private forest trees, Department Of National Properties, Ministry of Finance. Fodder trees rate from the Department of Livestock, Animal Nutrition Division, National Center for Animal Nutrition, Bumthang
- 3) **Structures:** Replacement cost has been estimated based on latest market rates, Land Compensation Rates 2009, Compensation Rates 2009 for cash crops/fruit trees/forest trees/fodder trees. BSR 2012 and discussion with displaced persons, engineers and village heads.

VIII. INSTITUTIONAL ARRANGEMENTS

A. Institutional Requirement

135. For implementation of RP there will be a set of institutions involved at various levels and stages of the Project. For successful implementation of the RP, the proposed institutional arrangement with their roles and responsibilities has been outlined in this section. The primary institutions, who will be involved in this implementation process, are the following:

- Department of Roads
- Dzongkhag (District Administration)/Dungkhag Administration
- Project Management Office
- Land Record Officer
- Grievance Redressal Committees
- Supervision Consultant

B. Resettlement Management

136. The DoR will be the executing agency (EA) for the Project. A Project Management Office (PMO), headed by a Project Coordinator (PC) will be established and be responsible for the overall execution of the Project. The Dzongkhag (District Administration)/Dungkhag (Sub-district Administration) will be responsible for implementing the resettlement & rehabilitation activities. The Department of Roads will ensure availability of budget for land acquisition. The Dzongkhag administration (LRO, DAO, DE and Dzongkhag Survey Officer) will appoint a group of trained surveyors to assist resettlement activities through cadastral survey. On the other hand, the Supervision Consultant will provide a weeklong training and orientation program for implementation of the RP to all surveyors and concerned Dzongkhag and Dungkhag officials.

137. The concerned Dzongkhag/Dungkhag officials will work in close coordination on the day-to-day activities of the Resettlement Plan and implementation. The Dzongkhag/Dungkhag officials will execute and monitor the progress of the work and ensure coordination between relevant departments, the Grievance Redress Committee and the DPs. The DoR and Dzongkhag/Dungkhag officials will ensure the inclusion of those DPs who may have not been covered during the census survey.

IX. GRIEVANCE REDRESS MECHANISMS

138. The Project will be conducted with a participatory process with the local communities. Through this, and the provision of good compensation and support mechanisms, acceptance of the Project will be enhanced and complaints reduced. There may nevertheless be individuals or groups who feel that they are not given adequate support, or that their needs are not properly addressed. The Project will therefore establish a Grievance Redress process in the existing mechanism of local committees (Geog Yargay Tshogchung, Dzongkhag Yargay Tshogdu), and the Dzongkhag/Dungkhag which will hear complaints and facilitate solutions. If the issue is not resolved, the individual/group may approach PT through the office of the local executive engineer. If the issue remains unresolved, people would have the right to approach the higher authority as per traditional practices. The Complainants will be able to access the higher authorities such as His Majesty the King and courts at any time should they be not satisfied with the proposed resettlement measures. Project signboard and information brochure will include contact information for GRC.

A. Procedures and Time Frame for Grievance Redress

139. A grievance redress mechanism will be established to receive and facilitate the resolution of concerns, complaints and grievances of affected people and relevant agencies on the social and environmental performance of the project in a time bound and transparent manner. The project specific GRM is not intended to bypass the government's own redress process, rather it is intended to address project affected people's concerns and complaints promptly, making it readily accessible to all segments of affected persons and is scaled to the risks and impacts of the project. While the affected person or party may submit their complaints concerning the project to any relevant agency, the steps recommended for the GRM are:

- Step 1: If any affected person or party faces grievances related to environment, land acquisition or resettlements, he/she can approach the contractor, construction supervision consultants or PT site staff directly at the site level.
- Step 2: If grievances are not addressed at the site level, the affected person or party can lodge a written grievance to the grievance redress committee (GRC) comprising of Sector Heads of the Dzongkhag Administration as well as Geog Officials. The affected person or party may also skip step 1 and directly file written grievance to the GRC. All grievances which cannot be address at the site level should be forwarded to the grievance redress committee within 15 days from the receipt of complaint. The committee must respond within 15 days. Further, the GRC will treat grievances of both male and female affected persons equally and address them fairly.
- Step 3: If the affected person or party is not satisfied with the decision or he/she receives no response within 15 days of registering the grievance, he/she can approach the PT and finally, can appeal to the Royal Government of Bhutan or His Majesty the King.

X. IMPLEMENTATION SCHEDULE

140. All land acquisition and resettlement process of the displaced persons must be completed before the start of the civil works. All land is to be provided free of encumbrances. Displaced persons from the affected households have to be given sufficient notice prior to start of civil works. The implementation schedule for the construction of Nganglam-Dewathang national highway is given below in Table 30.

Table 30: Tentative Implementation Schedule

Project Activity	2013				2014				2015				2016				2017			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Detailed Design	■	■																		
Finalization of RP based on Detailed Design			■	■	■	■														
Approval of RP						■														
Disclosure of RP																				
Consultation with AP			■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■	■
Establishment of GRC																				
Publication of notification to acquire																				
Replacement cost survey																				
Valuation										■	■	■								
Final list of AP and distribution of ID Cards										■	■	■								
Payment of compensation for land and structure										■	■	■								
Payment of all other assistance										■	■	■								
Handover of land to contractor										■	■	■								
Civil Works																				→
Internal Monitoring																				→
External Monitoring																				→

141. The civil works will be linked with the completion of land acquisition and compensation prior to the commencement of civil work. The DoR will give the notification to the DPs through concerned Dzongkhag/Dungkhag four months prior to the construction of the roadwork. This will facilitate the DPs to harvest their standing agricultural product, which will further minimize and mitigate the Project impact. Further, the DPs will have enough time to locate the substitute land within the same village, Geog and Dzongkhag. In order to locate the substitute land, Dzongkhag/Dungkhag officials will assist the DPs.

XI. MONITORING AND EVALUATION

A. Internal Monitoring

142. The PMO supported by Dzongkhag/Dungkhag officials will systematically monitor land acquisition and resettlement activities, based on (a) process monitoring (e.g., project inputs, expenditures, staff deployment etc.), (b) output monitoring (e.g. results in terms of number of DPs compensated), and (c) impact evaluation (e.g. project impact on people's livelihood).

143. The internal monitor will be responsible for overall internal monitoring and evaluation of the project progress for resettlement implementation. The internal monitor will undertake biannual monitoring during the RP implementation period. Monitoring will also ensure recording of DP's views on resettlement issues such as; DP's understanding of entitlement policies, options, and alternatives; site conditions; compensation valuation and disbursement; grievance redress procedures; and staff competencies. The monitoring reports will be sent to ADB twice a year.

B. Reporting Requirements

144. The monitoring process will be based on key implementation procedures and work plan presented in the previous section. The following points should be considered for effective monitoring:

- The RP implementation should be reflected in the regular progress report of the Project.
- Regularly carry out site visits and consultations with affected communities to assess social impacts, adequacy of mitigation actions, participation of community members, especially the vulnerable households in project activities.
- Report six monthly progress highlighting any new issues and recommendations for addressing these issues.

C. External Monitoring

145. For subprojects will have significant adverse safeguard impacts, the EA will retain qualified and experienced external experts to verify its monitoring information.⁶ The external monitoring will be undertaken by the Construction Supervision Consultant. The external monitor will monitor and verify RP implementation to determine whether resettlement goals have been achieved, livelihood and living standards have been restored, and provide recommendations for improvement. An important function of the external monitoring expert is to advise the EA on safeguard compliance issues. If significant non-compliance issues are identified, the EA is required to prepare a corrective action plan to address such issues. The EA will document monitoring results, identify the necessary corrective actions, and reflect them in a corrective action plan. The EA, in each quarter, will study the compliance with the action plan developed in the previous quarter. Compliance with loan covenants will be screened by the EA.

⁶ Experts not involved in day-to-day project implementation or supervision.