

# Resettlement Planning Document

Resettlement Plan for Land Pooling Related-works of Component A (Lungtenphu Zones D and E, Thimphu)  
Document Stage: Draft for Consultation  
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## Bhutan: Urban Infrastructure Development Project

Prepared by the Department of Urban Development and Engineering Services

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## **A. Scope of Land Acquisition and Resettlement**

### **1. Background**

1. The Project will improve urban infrastructure, planning, and management; enhance urban livelihoods; and increase capacity for administering urban infrastructure supply and maintenance works through four components. Component A for Thimphu includes: (i) city-level works (water supply, upgrading of the existing wastewater treatment plant, and solid waste management), and (ii) roads and drainage, and water supply and sewerage connection in four areas of southern Thimphu extended areas. Component B for Phuentsholing includes: (i) roads and drainage, (ii) footpaths and pedestrian bridge, and (iii) social infrastructure (fire hydrant and street lights). Component C for Dagana includes: (i) water supply and sanitation, and (ii) road and drainage. Component D which is for institutional development includes: (i) technical support on unaccounted for water and water calibration, (ii) operational efficiency, (iii) public awareness support, and (iv) financial management. The main benefits of the Project will be (i) improved urban environment, public health, and living standards in Thimphu, Phuentsholing, and Dagana; (ii) effectively managed, reliable, and sustainable urban services; and (iii) improved economic and social conditions from investments in roads and drainage, water supply and sanitation, solid waste management, and other urban amenities.

This RP has been prepared for Zones D and E for Lungtenphu based on detailed design of urban infrastructures. The steps followed were:

- (i) TCC conducted continued consultations with all stakeholders<sup>1</sup> regarding how to avoid and minimize resettlement impacts. Needs and preferences were identified.
- (ii) A socio-economic survey and census of all affected landowners and non-titled APs were conducted to identify different categories of APs, based on the degree and scale of impacts of LP. The RP eligible APs and identification<sup>2</sup> required for claiming compensation.
- (iii) A time-bound schedule for RP implementation, procedures for grievance redress, monitoring and evaluation (both internal and external) has been finalized.
- (iv) The RP will be translated into local language and disclosed through public notices, and through mass media. The EA will review and endorse the RP.
- (v) Once the EA endorses the RP, it will be sent to ADB for approval. The approved RP will be posted on ADB's resettlement website. The full RP will be consistent with ADB's *Policy on Involuntary Resettlement, 1995*.
- (vi) The approved RP will be implemented before any award of construction contracts for roads and drainage, and water supply and sewerage connection in Zones D and E.

### **2. Scope of Impacts**

2. **Urban Development Alternatives and Land Pooling.** For roads and drainage, and water supply and sewerage connection in four areas of southern Thimphu extended areas<sup>3</sup> (part of the Project's Component A), possible urban development approaches were evaluated. The

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<sup>1</sup> Key stakeholders include: (i) all land owners, non-titled APs, their households, and beneficiaries of the Project (particularly vulnerable households); (ii) community leaders, town and city committee members, and community-based organizations and nongovernmental organizations; project staff (staff of respective IAs, staff of PIU and PMU, and consultants); and various government agencies involved directly or indirectly.

<sup>2</sup> The identification includes the (i) national identity card, and (ii) entitlement card issued by TCC signed by the AP and TCC.

<sup>3</sup> Babesa, Changbangdu, Lungtenphu, and Simtoka.

evaluation shows that urban land pooling (LP) is the most suited option for the required works in the four areas of southern Thimphu extended areas given the plot configuration and topographical conditions.

3. LP in southern Thimphu was initiated in 2001. The key issues raised during consultations were addressed in the following manner: LP will exclude traditional villages<sup>4</sup> (and keep neighbors together to the extent possible); will ensure no impacts on residential and commercial structures (impacts on other structures such as boundary walls, and other assets such as trees will be compensated at replacement cost); will not allocate surplus land from the local area to finance LP; will include government land to reduce the contribution required from each landowner; and will minimize shifts in land plot owned but where it cannot be avoided, new plots will be within the same local area with similar physical characteristics.

4. **Resettlement Impacts of Land Pooling.** The total area required for establishing urban infrastructure facilities (roads, drainage, water supply, and sewerage connections), public amenities, and green areas in Lungtenphu Zones D and E is 14.96 hectares. Of this area, 9.98 hectares (ha) or 66.0% will be from contributions of 74 landowners; 5.08 ha (34.0%) will be Government contribution. The average contribution is 28.9% of affected plots.

5. During project preparation, two categories of affected persons were identified which would require compensation and assistance. The census identified that LP in Zones D and E will have impacts on three households who will lose fruit bearing trees, and one vulnerable landowning households. The vulnerable household is headed by a single-parent female. The census did not identify any non-titled APs (leaseholders/tenants and agricultural workers/employees); disabled-headed, or indigenous peoples-headed households; and households with incomes below the poverty line. The census also did not identify impacts on seasonal agricultural workers and leaseholders. While plots used to be agricultural, no paddy has been planted since 2006.

6. There will be no relocation as there will be no residential or commercial structures affected. The census did not identify impacts on common property resources. The implementing agency (IA), the Thimphu City Corporation (TCC) will compensate 3 landowners for fruit bearing trees at replacement cost. Table 1 provides impacts on Zones D and E.

**Table 1: Resettlement Impacts**

Impact	
Permanent Land Acquisition (ha)	0 (100% agreement reached for land donation)
Temporary Land Acquisition (ha)	0
Permanently Affected Structures	0
Temporarily Affected Structures	0
Affected Trees/Crops	105 Apple Trees, 1 Peach Tree
Affected Common Property Resources	0
Titled affected households AHs (Tree Owners)	3
Non-titled AH	0
Single parent female-headed HH	1
Disabled-headed HH	0
IP-headed HH	0
BPL HH	0

<sup>4</sup> Traditional village is an enclosed area with traditional structures (houses, warehouses, and animal sheds) that has historical values for conservation designated by the Government.

APs	20
Average Family Size of all Landowners	5.68
Average Annual Income of all Landowners	Nu 145,464.7
Main Source of Income of all Landowners	Government Employment (24%)
Average Family Size of all APs	5
Average Annual Income of APs	Nu 222,562.3
Main Source of Income of APs	Government Employment (64%)

Source: Census and Socio-economic Survey, April 2009

## B. Socioeconomic Information

7. A census and a socioeconomic survey was conducted by TCC for landowners affected by land pooling in April 2009. This serves as the cut-off date for Zones D and E. A sample of 31 affected landowners was selected. The socioeconomic survey information is in Annex 1.

8. The census shows that the average male landowner's landholding was 0.68 hectares (ha); for female landowners, 1.36 ha. All except 3 plots were vacant. Only the 3 plots with apples and peach trees are not used for agriculture. In these 3 plots, no agricultural workers were employed. None of the plots supported livelihood. Government was the largest employer of landowners (24%) followed by trade and business (10%) and the average annual household income of plot owners is Nu 145,467. No plot owner has incomes below the poverty line. The 3 households losing fruit trees have smaller household sizes and larger average annual household incomes than the average among plot owners in Zones D and E. Two of the three households are in Government service. These are not vulnerable households. There is one household falling under a vulnerable category being a single parent female-headed household. This household has a household size of 3 which is below the average household size of APs. The household also has a higher annual income at Nu 345,000. The household members are employed.

9. **Gender.** Overall, Bhutanese women enjoy equality in many spheres of life. Overt discrimination against women and gender disparities are relatively narrow and they enjoy equal if not better status than men in many aspects such as property inheritance, managing domestic finances, business, and being heads of households. Bhutan has a unique set of enabling factors which contribute to progress in the area of gender and development. High status of women, high public and government recognition of gender issues, strong commitment to women's education, increasing women's political participation, and Bhutan's commitment to the *Convention on the Elimination of all forms of Discrimination Against Women* (1981), *Convention on the Rights of the Child* (1990), *International Convention on the Elimination of all forms of Racial Discrimination* (1973), and *Beijing Platform for Action* (1995)—pave the way for gender development and empowerment.

10. Based on the socio-economic survey in the project areas, in Thimphu, most women are involved in jobs and businesses. Women spend more time in household activities and 16% are involved in agriculture and household activities. There is generally good health indicators for women in the project areas, all women who have children went for ante-natal checkups and children are immunized. This is reflected in Bhutan's reduction in maternal mortality rate (from 97 per 1,000 live births in 1996 to 84 in 2000) and infant mortality rate (from 140 per 1,000 live births to 60.5 in 2000).

11. During project preparation, gender disaggregated data was collected. Data shows general equality between male and female landowners. There is no specific impact on women

due to the project. Single-parent female-headed households are classified as vulnerable and will be provided additional entitlements. Joint ownership in the name of husband and wife will be provided **while respecting legal ownership**. Information dissemination, consultation, participatory approaches, and disclosure requirements will ensure equal targeting of men and women. During the finalization of Zones D and E, further consultations with women were undertaken confirming the findings during project preparation. In Zones D and E, it was found that women were aware of the proposed project and knew the benefits to be gained from the project.

### **C. Objectives, Policy Framework, and Entitlements**

12. This RP is based on ADB's *Policy on Involuntary Resettlement* (1995)—particularly sections on voluntary donation, the draft Bhutan Land Pooling Manual, Compensation Rates for Land and for structures on the Land-Revision thereof (2009), and Compensation Rates 2008 for cash crops/ fruit trees/ annual crops and the agreed Resettlement Framework (RF). ADB policy specifies that required safeguards include (i) full consultation with landowners and any nontitle affected people on site selection; (ii) ensuring that voluntary donations do not severely affect the living standards of affected people, and are linked directly to benefits for the affected people, with community sanctioned measures to replace any losses that are agreed to through verbal and written record by affected people; (iii) any voluntary “donation” will be confirmed through verbal and written record and verified by an independent third party such as a designated nongovernment organization or legal authority; and (iv) having adequate grievance redress mechanisms in place. The RF addresses gaps between ADB and Government's policies and provides principles to be followed and entitlements for affected persons (APs).

13. LP will be guided by the following principles:

- (i) All APs (titled and non-titled) will be fully informed and consulted on LP sites, compensation, entitlements, and resettlement assistance;
- (ii) Lack of formal legal land title is not a bar for compensation and assistance;
- (iii) LP contributions will be confirmed by written record signed by the landowner, TCC, and verified by the OAG—with copies retained by the three parties;
- (iv) Agreement from 100% landowners on a zonal basis is required for LP;
- (v) LP contributions will be kept at similar percentages to the extent possible and will not exceed 30%;
- (vi) Landowners contributing to LP will directly benefit from roads and drainage, and water supply and sewerage connections. During consultation, landowners will be informed by the Government of the Project's implementation schedule and the expected timeframe for the delivery of benefits;
- (vii) LP will not severely affect living standards of APs and the following measures will be ensured:
  - a. LP will exclude traditional villages;
  - b. LP will exclude land with residential and commercial structures;
  - c. LP will minimize shifts in land plot owned. Only land rendered inefficient from the perspective of agriculture or for future structures will be considered for shifting. Landowner agreement will be required prior to shifting the location of plots and the reallocated plot will be within the same zone;
- (viii) The Government will not allocate surplus land from the local area to finance LP;
- (ix) The Government, to the extent possible, will include Government land to reduce LP contributions;
- (x) All non-titled APs whose income or livelihood is affected is entitled to receive

- assistance to restore income and livelihood at pre-project standards, and all vulnerable APs are entitled to receive additional assistance; and
- (xi) Adequate grievance redress mechanism will be in place with APs having recourse with regard to non-delivery of benefits.

The entitlement matrix agreed for the whole land pooling component is in Table 2.

**Table 2: Entitlement Matrix**

	Type of Loss/ Application	Entitled Person	Compensation Policy	Implementation Issues	Responsible Agency
1	Loss of land/rented or leased	Tenants and leaseholders	<ol style="list-style-type: none"> <li>1. Reimbursement of rental deposit or unexpired lease amounts.</li> <li>2. Lump sum shifting allowance of Nu.1,000.</li> <li>3. Lump sum rental assistance of 2 months current rental rate.</li> <li>4. Rights to salvage material from structure improvements and other assets constructed by the AP.</li> <li>5. Notice to harvest standing seasonal crops.</li> <li>6. Compensation for perennial crops and trees.</li> <li>7. Provision of six months notice.</li> </ol>		<ul style="list-style-type: none"> <li>• IA will confirm rental rates, ensure that leaseholders receive reimbursement for deposit or unexpired lease amount.</li> <li>• Compensation for perennial crops and trees will be determined by the LARC through an assessment of market values based on the Land Compensation Rates 2009.</li> </ul>
2	Loss of livelihood	Tenant or leaseholder farmer, or agricultural worker/employees	<ol style="list-style-type: none"> <li>1. Assistance for 1 month of lost income for tenant or leaseholder farmer.</li> <li>2. Assistance for 1 month lost income for workers/employees.</li> <li>3. Assistance in suitable skill development training for alternate livelihood.</li> <li>4. Assistance in locating alternate jobs.</li> <li>5. Provision of six months notice.</li> </ol>		<ul style="list-style-type: none"> <li>• IA will confirm business losses, confirm minimum wage rates, and provide skills development training/assistance in locating alternative jobs.</li> </ul>
3	Assistance to vulnerable landowners	Vulnerable landowners <sup>5</sup>	<ol style="list-style-type: none"> <li>1. Rebate on demarcation charges.</li> <li>2. Prioritization in project employment.</li> <li>3. Assistance in suitable skill development training for alternate livelihood.</li> </ol>	<ul style="list-style-type: none"> <li>• Vulnerable landowners will be identified during the census.</li> </ul>	IA will identify vulnerable households, ensure prioritization in project employment, and provide skills development training.
4	Loss or disruption of common resources	Community local body	<ol style="list-style-type: none"> <li>1. Replacement or restoration of affected community facilities such as irrigation facilities, cultural resources, etc.</li> <li>2. Enhancement of community resources where possible.</li> </ol>		IA to determine the extent of losses or disruption, and ensure contractor performs restoration.
5	Any other loss not identified		1. Unanticipated involuntary impacts will be documented and mitigated based on the principles provided in ADB's Involuntary Resettlement Policy.		IA

<sup>5</sup> Vulnerable landowners include single parent female-headed households, disable-headed households, indigenous persons-headed households, and Below Poverty Line households.

#### **D. Consultation and Grievance Redress Participation**

14. **Consultation and Participation.** Extensive consultations with landowners have been undertaken in Thimphu since 2001. The preparation of the structure plan and local area plans (inclusive of land pooling) included consultations to: reflect public opinion prior to drafting plans, accommodate public review of draft plans, and disseminate information after plan finalization. Consultations were generally in the form of public meetings. Opinion was also gathered through door-to-door surveys, particularly for verifying cadastral records and updating landowner records. Information was disseminated through newspaper and television, and supplemented by presentations (particularly for explaining land pooling issues such as moratoriums<sup>6</sup>). A 10-person public consultation cell was formed in TCC in July 2002 to handle public consultation and inquiries from stakeholders in close coordination with local area representatives.

15. TCC has disseminated information through electronic and mass media in addition to organizing public meetings, discussions, and joint site visits organized by the urban planning department of TCC with the plot owners. TCC urban planning department officers working on the Lungtenphu LAP spend half their time for public consultations and site visits to discuss the LAP, land pooling, plot reconfiguration, and proposed facilities available. On average 15-20 land owner visits the office of the Urban Planner, Lungtenphu LAP, TCC everyday to seek clarification and provide suggestions on the LAP. Consultations were carried out almost every day by TCC officials since the finalization of the LAP in 2003. These were supplemented by TV shows, interviews broadcasted/telecasted through BBS about the Thimphu Structure Plan and land pooling process. These helped inform the people of LAP and land pooling concepts. In addition there were a number of public meetings and workshops carried out in the process of preparation of Thimphu Structure Plan, LAPs, and implementation of land pooling. During the period between plan preparation, finalization and implementation (Thimphu Structure Plan) the web-based newspaper ([www.kuenselonline.com](http://www.kuenselonline.com)) has opened a forum for discussion and suggestion on land pooling. Records from TCC show more than 40 entries on the website with views and suggestions made by the public and landowners.

16. Annex 2 shows that information dissemination and consultations were fundamental in developing the local area plans and the LP process. Due consideration was given for stakeholder consultations with the APs at different levels of RP preparation. All relevant aspects of project planning and development were discussed with both primary and secondary stakeholders including directly affected people, executing agency, implementing agency. The discussion were initiated to share information on the project, their needs and perception for better urban service, and to have their opinion and views about the project and its envisaged benefit to the people. It was evident that the people are aware of the benefits of the project. The people welcome the possibility of implementation of the project in the pilot area as summarized. Annex 3 provides a summary report on stakeholders consultations specific to Zones D and E. Information disclosure will be a continuous process of documenting people's views. It will ensure that groups and individuals consulted are informed about the outcome of the decision-making process, and will indicate how their views have been incorporated. All comments made by the APs will be documented in project records and summarized in project monitoring reports.

17. Information has been disseminated to APs at various stages. Resettlement information

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<sup>6</sup> Moratoriums on building of structures and cultivation are applied from the date of finalizing the local area plan and the completion of demarcation (see Figure 2).

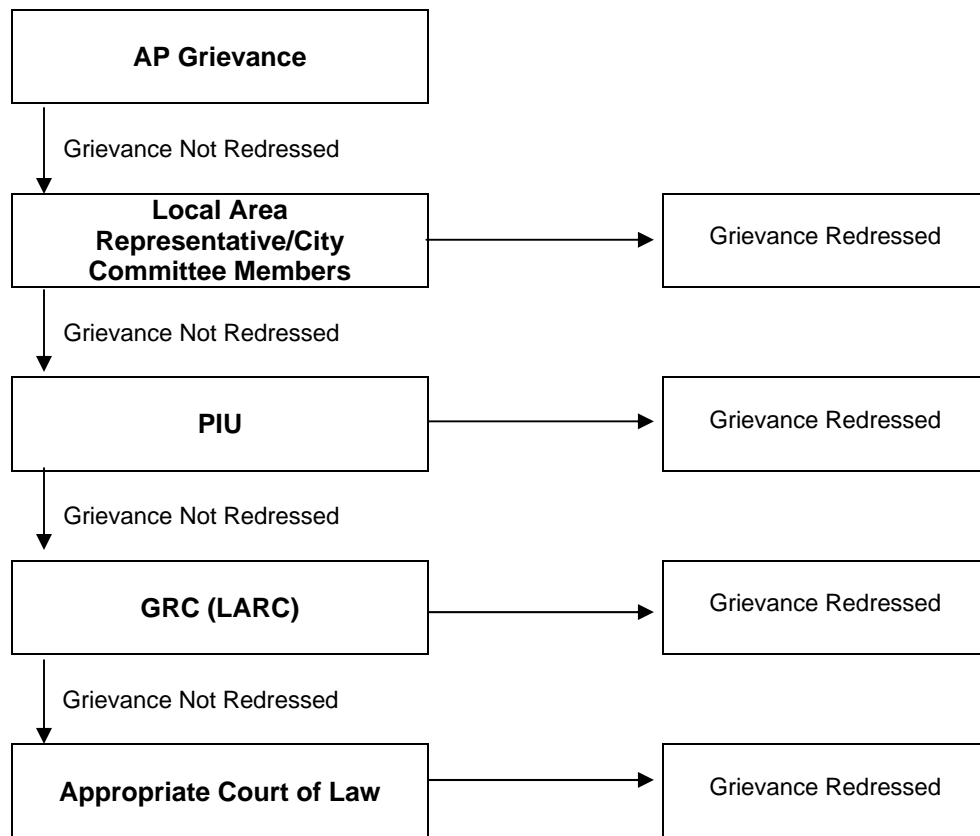


generated during RP preparation will be disclosed to all APs in local language, and their views and opinions will be taken into consideration in finalizing the RP. The RP will be translated into local language and disclosed through public notices and through mass media. It will also be posted on ADB's resettlement websites. Information dissemination and consultation will continue throughout the project implementation period.

18. **Verification and Grievance Redress Mechanisms.** Written agreements have been made for contributing to LP between the TCC and landowners since 12 March 2003. Consistent with ADB safeguard policies, TCC identified the Office of the Attorney General (OAG) formerly the Office of the Legal Affairs (OLA) in 2005 as an independent third party to verify agreements. The agreement describes LP, identifies forgone compensation, identifies the extent of land required for donation, and shows a lot plan of the landowners plot after LP. A sample agreement is in Annex 4. The OAG, formed in 1998 as the OLA, is an autonomous agency which advises various government agencies on legal matters. Under OAG's legal services drafting division, a lawyer has been assigned to witness and verify voluntary donations from landowners. The OAG will ensure that there is no coercion and that landowners understand that they have the right to refuse participation in LP. The OAG will provide quarterly reports to ADB on agreements verified. As agreed between the Government and ADB, 100% agreement to LP by landowners on a zonal basis—verified by OAG—is required by the Project. Where 100% agreement is not obtained, TCC will redefine the zone to exclude non-agreeing landowner's plots. If such rezoning is not possible, ADB will not finance urban development through LP in the said zone. In the case of Zones D and E, 100% agreement has been obtained. OLA will provide periodic reports to ADB on agreements verified. The report covering Zones D and E is in Annex 5.

19. For the Project, grievances of APs will first be brought to the attention of the Local Area Representative for the Local Area Plan or the elected City Committee Members. Grievances not redressed within 15 days will be brought to the Project Implementation Unit (PIU) and the PIU head will coordinate with the TCC public consultation cell on grievance redressal. Grievances not redressed by the PIU within 15 days will be brought to the Plan Implementation Sub-Committee notified on 14 May 2008 acting as a Grievance Redress Committee (GRC). For Lungtenphu, the GRC comprises: the Responsible City Committee Member of the Zone as Chairman, with member including the Executive Secretary TCC, Chief Urban Planner TCC, Legal Officer TCC, Head of Development Control Division TCC, Urban Planner TCC, and LAP/Plot Owner/Representative. The Committee will meet when a grievance is not resolved by the PIU. They will be given notice of the meeting, meet to determine the merit of the grievance, and resolve the grievance within a month of receiving the notice for the meeting. Further grievances will be referred by APs to appropriate courts of law (Figure 1). TCC will inform APs on grievance redressal procedures, the functions of the GRC, and how to access the GRC.

**Figure 1: Grievance Redressal Process**



20. All complaints will be lodged in writing. All proceedings related to complaints will be recorded and documented. The documents will be useful in modifying procedures in the future. The functions of the GRC are: (i) to support APs (particularly non-titled and vulnerable APs) on problems related to the eligibility for entitlements and assistance provided; (ii) to record grievances from APs and to categorize, prioritize and solve them within an appropriate time; (iii) to inform the Project Steering Committee of unresolved cases within an appropriate timeframe; and (iv) to inform aggrieved parties of the progress of resolving their grievances and decisions of the GRC.

21. All costs incurred in resolving the complaints will be borne by the Project including expenses incurred by members in attending the meetings. The Committee will meet when a grievance is not resolved by the PIU. They will be given notice of the meeting, meet to determine the merit of the grievance, and resolve the grievance within a month of receiving the notice for the meeting. The GRCs will continue to function during the life of the Project. Further grievances will be referred by APs to appropriate courts of law.

## **E. Compensation and Income Restoration**

22. The RP has identified one vulnerable AP. This AP will be provided a rebate on demarcation charges. The rebate comprises: (i) priority on demarcating plot, (ii) 50% subsidy on payment for demarcation pillars, and (iii) 50% subsidy on site plan fee. Annex 6 shows documentation that the vulnerable AP has received this. The livelihood of the vulnerable AP is not affected by land pooling.

23. Fruit trees will be compensated based on an assessment of the Compensation Rates 2008 for Cash crops/Fruit trees/Annual crops. The assessment was agreed upon by APs and the methodology is provided in Annex 6.

## **F. Institutional Framework**

24. The Department of Urban Development and Engineering Services (DUDES) of the Ministry of Works and Human Settlement (MOWHS) is the EA responsible for implementing the Project. The EA has established a PMU located at DUDES premises and headed by the Project Manager. The PMU is supported by a team of Project Management Consultants, and is in-charge of overall execution and implementation of the Project. The PMU is responsible for planning, monitoring and reporting on the Project, as well as for general cost and quality control. A Project Implementation Unit (PIU) has been established in Thimphu City Corporation (TCC). The PIU manages day-to-day operations and implements the RF.

25. A Sociologist at PIU,TCC (Thimphu) coordinates land acquisition and resettlement activities through the PIU with support from the Project Management Consultant's Resettlement Specialist. RP implementation, excluding monitoring which will be undertaken throughout the project period, is expected to be completed within 12 months. RF implementation and oversight of RF monitoring is directly undertaken by the Sociologist at the PIU in coordination with the Safeguard Specialist at PMC. External monitoring and evaluation will be undertaken by the independent agency engaged for the RP. Local Area Representatives or City Committee Members who act as liaison between APs and TCC will first receive AP grievances as detailed in Section D. Institutional roles and responsibilities are identified in Table 3.

**Table 3: Institutional Roles and Responsibilities**

<b>Activities</b>	<b>Agency Responsible</b>
<b>Subproject Initiation Stage</b>	
i. Finalization of sites/alignments for subcomponents	PIU/SDS
ii. Disclosure of proposed land acquisition and subcomponent details by issuing Public Notices.	
iii. Staff selection, appointment and training	
iv. Formation of GRC	PMU
v. Formal negotiation with other departments for land	
<b>RP Updating Stage</b>	
i. Conducting Census of all APs	PIU/SDS
ii. Conducting FGDs/ meetings / workshops during SIA surveys	
iii. Categorization of APs for finalizing entitlements	PIU/PMU/SDS
iv. Formulating compensation and rehabilitation measures and implementation plans	PIU/SDS
v. Conducting discussions/ meetings/ workshops with all APs and other Stakeholders.	
vi. Review EM and finalizing entitlements and rehabilitation packages	PIU/SDS/RS
vii. Approval of EM	PMU
viii. Disclosure of final entitlements and rehabilitation packages	PIU
ix. Approval of RP	RS/PMU/ADB
x. Taking contributed land and protection from further encroachment	IAS/EA
<b>RP Implementation Stage</b>	

i. Implementation of proposed assistance measures	PIU/SDS
ii. Serving formal notice to APs	
iii. Engaging City/Town Committees	Thrompon
iv. Consultations with APs during rehabilitation activities	PIU
v. Grievances redressal	PIU/GRC
vi. Internal monitoring	PIU/SDS
<b>Post Implementation</b>	
i. Income restoration and training schemes	IA/EA
ii. Selection of training institutions	
iii. Finalizing list of APs for training schemes	
iv. External monitoring and evaluation	External Agency

## G. Resettlement Budget and Financing

26. Cost of compensation and addressing resettlement impacts is an integral part of overall project costs. Table 4 show the current cost estimates for addressing resettlement impacts of land pooling in Zones D and E.

**Table 4: Cost Estimate**

Item	Nu
Permanent land acquisition	-
Compensation for crops/trees	
AP1	176,515
AP2	233,985
AP3	20,525
	1,692
Assistance to Vulnerable Households	1,500
Consultation and information dissemination	150,000
Monitoring and evaluation	175,000
<b>Subtotal</b>	<b>795,217</b>
Administrative and other costs	60,200
<b>Total</b>	<b>819,417</b>

## H. Implementation Schedule

27. Addressing resettlement impacts of land pooling will be part of RP implementation. The schedule is in Figure 2.

**Figure 2: Implementation Schedule**

	2007										2008										2009																
Activity																																					
i. Completion of survey for Finalizing number of APs																																					
ii. Establishment of PIU																																					
iii. Development Implementation plans and formation of LARC																																					
iv. Information sharing, consultations, and disclosure(including third partv verification of land																																					



data, which will be used as the baseline for assessing impacts of RF implementation.

35. The range of activities and issues that should be recorded and checked, include:

- (i) Land contribution verified by third party;
- (ii) Consultations undertaken;
- (iii) Compensation payments;
- (iv) Income restoration and other assistance strategies;
- (v) Re-establishment of income levels.

36. Potential monitoring and evaluation indicators are presented in the Table 5. The indicators should be monitored by means of two mechanisms:

- (i) Ongoing internal monitoring of process and output indicators; and,
- (ii) Participatory external monitoring by an independent monitoring agency. In consultation with AP, to evaluate the extent to which RF objectives have been met.

**Table 5: Monitoring Indicators (Indicative)**

Type	Indicator	Examples of Variables
Process indicator	Staffing	Staff recruited by TCC on the project
	Consultation and grievance resolution	Formation of GRC and establishment of mechanism grievance redressal Number of grievances by type and resolution. Number of consultations held with APs. Information provided to AP about project, and resettlement framework Number of field visits by TCC staff, PIU staff, the EA, and other agencies. Awareness about resettlement process, entitlements Satisfaction with resettlement process and grievance redressal
	Procedures in operation	Effectiveness of compensation payment delivery Coordination between TCC, PIU staff, the EA, and other agencies
Output indicator	Land contributed	Area of land contributed and verification by third party. Area of government land acquired (inter-departmental transfers)
	Compensation and assistance	Number of APs by type of affected assets. Number of titled APs compensated by type of loss. Amount of compensation by type and owner. Type and amount of assistance and allowances paid. Number of AP requesting assistance. Number of vulnerable APs and non-titled. Number of APs who have livelihood restored. Number of APs receiving skills/vocational training. Number of APs who have found employment, self – employed, etc.
Impact indicator	Replacement of assets	Replacement of assets Replacement of community structures
	Income earning capacity	Employment status of tenants/leaseholders and employees. Increased income due to urban development. Increased revenue for TCC due to water charges, other taxes, etc.
	Civic amenities	Link roads and communication established. Parks, markets, Post Office, Police Station, etc. placed.

37. The PMU will appoint an independent agency to undertake external monitoring during the project period. The independent agency will monitor the Project on a half-yearly basis and

submit its reports directly to the PMU. The PMU will submit all reports to ADB for review. The purpose of the external monitoring will be to determine whether intended goals and outcomes are being achieved and, if not, what corrective actions are required.

38. The independent monitoring agency should conduct field visits and consultations with APs to assess the outcomes and impacts of land acquisition and resettlement activities on the APs and their capacities and assistance given to restore living standards. The findings of the external monitoring should be communicated to the PIU, MoW&HS through meetings, and necessary remedial actions agreed and documented.

39. The agency will submit evaluation on the following indicators:

- (i) Adequacy of consultations;
- (ii) Verification of land contribution by third party;
- (iii) Ongoing internal monitoring of process and output indicators; and
- (iv) Participatory external monitoring by an independent monitoring agency, in consultation with AP, to evaluate the extent to which RF objectives have been met;
- (v) Basic information on AP household;
- (vi) Restoration of living standards;
- (vii) Restoration of livelihoods;
- (viii) Levels of AP satisfaction;
- (ix) Effectiveness of resettlement actions particularly grievance redress;
- (x) Compensation payments and entitlements;
- (xi) Restoration of livelihood;
- (xii) Financial audit;
- (xiii) Institutional arrangements;
- (xiv) Other impacts.

## Annex 1: Socioeconomic Survey

40. The socio-economic analysis of the Lungtenphu Pilot Area is based on detailed census and a socioeconomic survey<sup>7</sup> of plot owners<sup>8</sup> with a cut-off-date of April, 2009, taking into account the actual resettlement impacts according to the detailed engineering design of utilities. The census was carried out by TCC/PIU from 6-21 April 2009. The census team was composed of Sociologists, TCC; Urban Planner, TCC; and surveyors engaged for the purpose under the guidance of the International Safeguards Specialist, PMC. The team used the detailed design of the utility provided by the DMSC. As part of the involuntary resettlement principles, the Project avoided existing structures and trees to the extent possible. The census included an inventory of losses. Eligibility for entitlement was verified through national identity cards.

41. The census identified one vulnerable plot owner. The plot owner is a single-parent female household head, and provisions for special assistance were made for her. The list of APs and categories of loss are in Table 1. Three plot owners will lose 106 fruit bearing trees. During consultations and the census, the owners of fruit bearing trees expressed willingness to receive compensation at current market rates.

**Table 1: Affected Assets and Replacement Cost**

	Affected Assets	Number
1.	Trees	(105 Apple, 1 Peach)
2.	<b>APs, Trees Lost, and Replacement Cost</b>	
	<b>APs</b>	<b>Replacement Cost (Nu)</b>
a.	Tshering Yangzom	
	Tharm No. 24/B Apple Trees 43	176,515
b.	Dasho Chang Ugyen	
	Tharm No. 16 Apple Trees 57	233,985
c.	Late Choegyel Wangmo and Namgay Zangmo	
	Tharm No. 36/24,18,49 Apple Trees 5 Peach Trees 1	20,525 1,692

Source: Census and Socio-economic Survey (April 2009)

42. During the census and socio-economic survey no non-titled APs (leaseholders/tenants and agricultural workers/employees) was found. During the census and socio-economic survey of plot owners it was found that, all plots are currently unproductive in agriculture and do not support any livelihood, accordingly assistance for loss of income was not included in cost estimates.

### A. Socio-Economic Profile of the Plot Owners and Affected Households

43. A detailed socio-economic survey was carried out during the census in April, 2009 in the pilot area of Lungtenphu LAP and at the residences of the Affected Persons (AP). Table 2

<sup>7</sup> A socio-economic sample survey of 41 percent was conducted.

<sup>8</sup> The socio-economic survey of land owners and an assessment of vulnerability were conducted as part of updating the RP in accordance with para19, Resettlement Framework for Land Pooling Related Works of Component A (Thimphu).



shows the coverage of socio-economic surveys carried out in April, 2009. Table 2 provides a socio-economic profile of APs based on the survey.

**Table 2: Coverage of Socio-economic Survey in the Pilot Area**

Sl.	Details	No.
1.	Socio-economic Survey for Land Owners (Pooled Landowners)/Households	31
2.	Total Affected Person (Pooled Land Owners) (as per survey of 31 HH)	168
3.	Total Affected Households Losing Trees	3
4.	Total Affected Person from Households Losing Trees	20
5.	Vulnerable Household (Single Parent Female-headed Household)	1

Source: Census and Socio-economic Survey, April 2009

44. Table 3 presents the socio-economic summary profile of surveyed plot owners and households experiencing losses. The overall family size of plot owners is 5.68 persons per family. Nearly 24 percent plot owners are in Government service. The average annual income of plot owners is Nu.145,000.00. The average household size of households experiencing loss is 5. More than 63 percent are in Government. The average annual household income is Nu 2,22,562.00

**Table 3: Socio Economic Summary Profile of Plot Owners and HHs Experiencing Loss**

Characteristics	Units
<b>Socio- Economic Details of Land Owners</b>	
Socio-economic Survey for Land Owners (Pooled Land Owners)/Households	31
Total Affected Person (Pooled Land Owners) (as per survey of 31 HH)	168
Average Family Size of (Pooled Land Owners) (as per survey of 31 HH)	5.68 persons
Main Occupation of the Affected Persons (Pooled Land Owners) (as per survey of 31 HH)	Government Service (23.88%)
Average Annual Household Income (Pooled Land Owners) (as per survey of 31 HH)	Nu. 1,45,464.70
<b>Socio Economic Details of HHs Experiencing Loss</b>	
Total Household	4
Total Affected Person (APs)	20
Average Family Size	5
Main Occupation of Affected Families	Government Service (63.64%)
Average Annual Household Income	Nu. 2,22,562.30
<b>Vulnerable</b>	
1. Single-parent Female Headed Household	1
2. Disable Headed Households	NIL
3. Indigenous Persons Headed Households	NIL
4. Below Poverty Line Households	NIL

Source: Census and Socio-economic Survey, April 2009

45. Based on the data of 31 surveyed households, social stratification of the affected households is documented in Table 4. All the plot owners and households experiencing losses

belong to the Buddhist community. The majority of households experiencing losses, 2 in number, are of joint family type while 1 is a nuclear family. The predominant family size for plot owners is “large” with more than 5 persons, accounting for 64%. The average family size of households experiencing losses is 5, as stated earlier. There are no “small” families, with members up to 3. There are no households experiencing losses belonging to “Vulnerable Groups”. However one plot owning household (Thram No.22 Chimi Delma, Nee Holey Mo) has been identified as single parent female headed household during the process of census and socio-economic survey.

**Table 4: Social Stratification Details**

	Social Stratification Details of Land Owners		
Sl.	Criteria	Classification	No.
1.	Religious Group	Buddhism	31
		Hindu	Nil
		Other	NIL
2.	Family Type	Joint	14
		Nuclear	17
		Extended	NIL
3.	Family Size	Up to 3	7
		4-5	12
		More than 5	12
	Social Stratification Details of HHs Experiencing Losses		
1.	Religious Group	Buddhism	3
		Hindu	-
		Other	-
2.	Family Type	Joint	2
		Nuclear	1
		Extended	-
3.	Family Size	Up to 3	-
		4-5	1
		More than 5	2

Source: Census and Socio-economic Survey, April 2009

46. Literacy status among the APs is encouraging, to say the least, as per information collected during census and socio economic survey (Table 5). The majority of the APs from HHs experiencing losses, comprising about 64.72 percent, are graduate and above. Nearly 14 percent are illiterate. Only 6 percent of the affected population have achieved education up to secondary level, which is up to class X.

**Table 5: Educational Structure (Aged more than 6)**

SI.	Education	No. of Persons	%
Educational Structure of Plot Owners			
1.	Illiterate	36	23.08
2.	Informally Literate	3	1.92
3.	Primary (Class IV)	16	10.26
4.	Middle (Class VIII)	20	12.82
5.	Secondary (Class X)	24	15.38

Sl.	Education	No. of Persons	%
<b>Educational Structure of Plot Owners</b>			
6.	Intermediate (Class XII)	25	16.03
7.	Graduate and Above	28	17.95
8.	Diploma	4	2.56
	<b>Total</b>	<b>156</b>	<b>100</b>
<b>Educational Structure of HHs Experiencing Losses</b>			
1.	Illiterate	2	13.33
2.	Informally Literate	2	11.76
3.	Primary (Class IV)	-	11.76
4.	Middle (Class VIII)	-	-
5.	Secondary (Class X)	1	5.88
6.	Intermediate (Class XII)	1	5.88
7.	Graduate and Above	11	64.72
8.	Diploma	-	-
	<b>Total</b>	<b>17</b>	<b>100</b>

Source: Census and Socio-economic Survey, April, 2009

47. The proportion of the working population among the APs from HHs experiencing losses is 58%, with the unemployed population accounting for about 9%. As shown in Table 6, as far as occupational structure is concerned, about two third of the AP work force (63.64%) has Government service as their livelihood, while 18% of the APs earn the livelihood from private services. There is no person engaged in cultivation or daily waged labour. The occupational pursuit of the affected persons from HHs experiencing loss shows a major dependence on the tertiary sector of the employment source.

**Table 6: Occupation Structure (Aged more than 18)**

Sl.	Occupation	No. of Person	%
<b>Occupation Structure of Plot Owners</b>			
1	Cultivation	Nil	Nil
2	Allied agricultural activities (e.g., dairy, animal husbandry)	Nil	Nil
3	Labour (daily wage)	Nil	Nil
4	Government Service	32	23.88
5	Private Service in Organised Sector	9	6.72
6	Private Service in Un-organised Sector	8	5.97
7	Small Entrepreneur	9	6.72
8	Trade and Business	14	10.45
9	Professional (Doctor, Engineer, Mechanic etc.)	Nil	Nil
10	Others - Unemployed	40	29.85
11	Others – Retired	22	16.42
	<b>Total</b>	<b>134</b>	<b>100</b>
<b>Occupation Structure of HHs Experiencing Losses</b>			
1	Cultivation	Nil	Nil
2	Allied agricultural activities (e.g., dairy, animal husbandry)	Nil	Nil
3	Labour (daily waged)	Nil	Nil

4	Government Service	7	63.64
5	Private Service in Organised Sector	Nil	Nil
6	Private Service in Un-organised Sector	1	9.09
7	Small Entrepreneur	1	9.09
8	Trade and Business	Nil	Nil
9	Professional (Doctor, Engineer, Mechanic etc.)	Nil	Nil
10	Others - Unemployed	1	9.09
11	Others - Retired	1	9.09
	<b>Total</b>	11	100

Source: Census and Socio-economic Survey, April, 2009

48. It is evident from the data on annual household income of the 3 households experiencing losses, that none of them belong to Below Poverty Line (Table 7). All 3 households have annual incomes greater than Nu.85,000.00 The average annual household income has been calculated as Nu.2,22,562.00 which appears to be somewhat skewed due to households being in the “very high” income group with annual incomes more than Nu.85,000.00 All of these high income families earn their living from government service.

**Table 7: Annual Income Pattern**

Sl.	Total Household Income (Per Annum)	Affected Household	
		No.	% to Total
	Annual Income Pattern of Plot Owners		
1.	Below Nu. 13,200*	Nil	Nil
2.	Nu. 13,200 - 50,000	7	22.58
3.	Nu. 50,000 – 85,000	9	29.03
4.	Nu. 85,000 and above	15	48.39
	Total	31	
	Annual Income Pattern of Households Experiencing Losses		
1.	Below Nu. 13,200*	Nil	Nil
2.	Nu. 13,200 - 50,000	Nil	Nil
3.	Nu. 50,000 – 85,000	Nil	Nil
4.	Nu. 85,000 and above	3	100
	Total	3	

Source: Census and Socio-economic Survey, April, 2009

49. Table 8 shows the asset holding patterns. It can be seen that of the 3 HHs experiencing losses, they have 4 vehicles. There are 22 mobile phones owned by the 20 APs. No HH has livestock and agricultural assets.

**Table 8: Asset Holding Pattern**

Sl.	Type of Assets	Unit No.
<b>Asset Holding Pattern of Plot Owners</b>		
<b>1. Durable Assets</b>		
A.	Gold and Silver Jewelry	14
B.	Motor Cycle/ Scooter/ Car	53
C.	Mobile Phone / Electronic Gadgets	129
<b>2. Livestock</b>		
A.	Cow / Buffalo	Nil

B.	Goat / Sheep	Nil
C.	Poultry Birds	Nil
<b>3.</b>	<b>Agricultural Assets</b>	
A.	Tractor and Threshers	Nil
B.	Power Tiller	Nil
<b>Asset Holding Pattern of HHs Experiencing Losses</b>		
	<b>Durable Assets</b>	
A.	Gold and Silver Jewelry	19
B.	Motor Cycle/ Scooter/ Car	4
C.	Mobile Phone / Electronic Gadgets	22

Source: Census and Socio-economic Survey, April, 2009

50. Of the total 3 HHs experiencing losses (Table 9), 2 have taken government loans for the construction of a house in the area.

**Table 9: Coverage under Government Development Scheme**

Sl.	Total Household Covered under the Scheme	Census Household	
		No.	% to total
Coverage under Government Development Scheme- Plot Owners			
1.	Yes	11	32.35
2.	No	23	67.65
Coverage under Government Development Scheme- HHs Experiencing Losses			
1.	Yes	2	66.67
2.	No	1	33.33

Source: Census and Socio-economic Survey, April, 2009

## Annex 2: Local Area Plan, Land pooling Information Disclosure and Consultations

Sl. No	Date of Announcement/ Meeting	Stages of Meetings/ Announcements and Plan Preparation	Type of Public Meetings/ Consultations/ Announcements	Purpose	Medium of Announcement	Medium of Presentation	Highlights of the Meeting/ Announcement/ consultations	Available Records	Organizations/ Involved
Local Area Planning Process and Public Consultation Carried prior to Structure Plan									
1	29 Sept 2001	Declaration of Moratorium on Consultation for Extended Areas till the end of April 2002	Public Announcement	To avoid any ad hoc, unplanned development in the extended areas, since the planning process was under progress	Announcement in Kuensel and BBS			Announcements made by *DUDH, MoC in Kuensel	DUDH, MoC
2	23 Feb 2002	Second Announcement – Moratorium on Construction for Extended Areas	Public Announcement	To avoid any ad hoc, unplanned development in the extended areas, since the planning process is under progress	Announcement in Kuensel and BBS  Announcement in Kuensel, BBS and through representatives			Announcement made in Kuensel by TCC/DUDH  Announcement made in Kuensel	DUDH, TCC and CBA  DUDH, TCC, CCBA
3	11 Jan 2003	Announcement to land owners falling within the extended areas which are under planning to continue with cultivation for the year 2003	Public Announcement	To inform the landowners that the plans are ready for Lungtenphu, Babesa and Taba and plan preparation is under process for the rest of the areas and also to inform them that the implementation of the plan would take some time therefore the landowners can start cultivation for the year 2003	Announcement in Kuensel, BBS and through representatives			Announcement made in Kuensel	DUDH, TCC, CCBA
4	6 Feb 2003	Announcement on extension of moratorium on development activities in the areas under planning	Public Announcement	To inform the land owners above the extension of moratorium on developmental activities in the extended areas due to the LAP plan preparation process	Announcement in Kuensel, BBS and through representatives			Letter sent by TCC to Kuensel and BBS. Announcement made on 8 Feb 2003	DUDH, TCC and CCBA

	2 and 16 Aug 2003	Announcement on extension of moratorium for extended areas on sub divisions and land transaction	Public Announcement	To inform the land owners that the LAPs are in the process of being finalized after a series of public meeting and daily public consultation in TCC, Therefore a moratorium was declared to facilitate early completion of the plans.	Announcements in Kuensel and BBS			Announcement made in Kuensel. Article published in Kuensel online on 20 Sept. Letter sent by TCC to Kuensel and BBS	Thimphu City Corporation
5	13 Sep 2003	Public Announcement on moratorium on land dealings and subdivision	Article published in Kuensel by TCC	To inform land owners the need to freeze the land transaction and subdivisions in order to facilitate early completion and finalization of LAPS	Kuensel Article published on 30 September 2003	Land Dealings put on hold to finalize LAP (article)		Kuensel article publishes on 30 September 2003	Thimphu City Corporation
6	13 March 2004	Announcement to Lungtenphu land owners not to cultivate for next season due to planned demarcation process  Starting of Demarcation of Lungtenphu LAP	Public Announcement  Public Announcement	Announcement was made to landowners not to start with cultivation for the year 2004  Intimation to Lungtenphu land owners about the demarcation of the plan and requesting their cooperation to support the demarcation learn.  To inform the LAP representatives about the start of implementation of LAPs in the South and also to inform about the status of the LAPs	Announcement in Kuensel, BBS and through representatives  Announcement in Kuensel, BBS and through representatives  Official letters			Public announcement made in Kuensel  Minutes of the meeting and attendance list	Thimphu City Corporation
7	15 March 2004	Meeting with Chang representatives on implementing the	Meeting with representatives from Lungtenphu, Simtokha and	Announcement was made to landowners not to start with cultivation for the year	Announcement in Kuensel, BBS and through representatives		The representative welcomed TCC for starting the demarcation and	Public announcement made in Kuensel  Minutes of the	Thimphu City Corporation

		Chang (southern LAPs – TCC Conference Hall	Babesa	of 2004  Intimation to Lungtenphu land owners about the demarcation of the plan and requesting their cooperation to support the demarcation learn.  To inform the LAP representatives about the starting of implementation of LAPs in South and also to inform about the status of the LAPs	Announcement in Kuensel, BBS and through representatives  Official letters		also requested TCC to complete the plan implementation as early as possible. It was also decided to form LAP Implementation Committee.	meeting and attendance list	
8	17 April 2004	An announcement on going demarcation process in Lungtenphu Local Area and the anticipated completion date.	Public Announcement	Intimation to Lungtenphu landowners about the demarcation of the plan and requesting their cooperation to support the demarcation learn	Announcement in Kuensel, BBS and through representatives			Public announcement made in Kuensel	Thimphu City Corporation
9	15 May 2004  May-June 2004	Second Announcement on ongoing demarcation process in Lungtenphu Local Area and the anticipated completion date.  Completion of Demarcation Process of Lungtenphu LAP	Public Announcement	Intimation to Lungtenphu landowners about the demarcation of the plan and requesting their cooperation to support the demarcation team	Announcement in Kuensel, BBS and through representatives			Public Announcement made in Kuensel	Thimphu City Corporation
10	12 July 2005	Lungtenphu LAP representatives submitted a request to implement the infrastructure						Signed Letter submitted by the representatives	Thimphu City Corporation



		facilities immediately							
11	Nov 2005	TCC's UPD started with handing over of plots in Lungtenphu as per zones	Handing over of plots on site	To officially verify the demarcated plots as per the LAP and handing over the plots to the respective landowners after their acceptance and agreement	Announcement in Kuensel, BBS and through representatives	Officially handing over sheet and on the verification of demarcated pillars	The site boundaries are illustrated on the site, each and every pillar were shown to the landowners for their acceptance, missing pillars would be demarcated physically characteristics are also explained.  Road access to the plot and precinct is also explained	Copy of letter sent to Kuensel for public announcement copy of Kuensel announcement.  Signed handing over documents	Thimphu City Corporation
12	27 March 2006	Obtaining the land owner's consent to sign the land pooling agreement form which is duly framed to meet the ADB's RF	Public consultations with office of legal affairs	Educate the plot owners that as they have signed in the old agreement, signing an agreement in new format as per the requirement is per ADB's RF	Through Public Notice	Verbal presentation	It was informed to the plot owners that the new format provided the legal teeth through introducing the words like "land contribution" and "land donation"	All the land owners was concerned about urgent provision of infrastructure in all LAPs	TCC,DUDES,Plot Owners office of the Legal Affairs.
13	15 June 2007	Consultation cum official visit of TCC, UPD and Plot owners representatives regarding road access from the Tashi Pelkhil, Lungtenphu	Public consultations with Plot owners representatives and TCC	All the alternative options has been explored	Through Public notice	Discussions	To finalise the best suitable alternative for better access.		
14	9 May 2008	Public notice for Signing of LPA and taking over the plots	Public notice in Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	Signing the LPA in new format and taking over of plots	Public notice in Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	Public notice in Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	Speed up the process of LPA signing in new format	Public notice in Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	Public notice in Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English
15	4 April	Public notice for	Public notice in	Signing the LPA in	Public notice in	Public notice in	Speed up the	Public notice in	Public notice in

	2008	Signing of LPA and taking over the plots	Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	new format and taking over of plots	Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	process of LPA signing in new format	Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English	Kuensel, Bhutan Times, Bhutan Observer, BBS to announce in Dzongkha and English
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Source: Supporting Documents for the Public consultations and land pooling process undertaken by Thimphu City Corporation during the Years 2002, 2003, 2004 and 2005, Thimphu City Corporation, Compiled by Mr. Thinlay Penjor, Urban Planner , Mr. Venkatesh Kumar, Urban Planning Consultant,TCC, Mr. Rahul Nawal, Urban Planning Consultant,TCC and excerpt from files of TCC.\* DUDH is now DUDES and MoC is now MoWHS.

### Annex 3: Stakeholders' Participatory Consultation—Abstracts

Sl. No.	Place and Date	Participants	Issues Discussed	Opinions and Consensus Regarding the Project
1.	Lungtenphu Pilot Area Zone D 7.04.09	Plot owners, one female AP, Consultant, TCC Urban Planner and Sociologists/PIU	1. Details of the Project 2. Development of the Area 3. Valuation of the Land	The Project work should be completed within the shortest possible time as people face a lot of problems due to the absence of the proposed Infrastructure at present. Provisions should be made to include all the households to be linked to the amenities facility so that the maximum number of people is benefited. People are willing to cooperate by all means to implement the project successfully. Proper care should be taken during implementation to mitigate the problem. They are anxious to know regarding the completion of the Project
2	Lungtenphu Pilot Area Zone D and E 8.04.09,14.04.09, 16.04.09,18.04.09,20.04.09, 2104.09	Plot owners/ HHs experiencing losses, consultant TCC Urban Planner and Sociologists/PIU, and Survey Team	1. Details of the Project 2. Development of the Area 3. Valuation of the Land	The Project work should be completed within the shortest possible time as people face a lot of problems due to the absence of the proposed infrastructure. Provisions should be made to include all the households to be linked to the sewerage system facility so that the maximum number of people is benefited. People are willing to cooperate by all means to implement the project successfully and are willing to pay user charges if levied within their affordable means. The compensation for trees should be at market rate. Since the trees are fruit bearing trees, they want the compensation to be paid as per the new guideline of 2008 for valuation.

## Annex 4: Sample LP Agreement

**Briefing and Agreement on Land Pooling/Land Contribution/ Land Donation**

**Land Pooling (Land Contribution/ Land Donation).**  
Land Pooling is a planning tool used in community development and local area plan preparations, in which each and every land owner within the community or Local Area has to pool/contribute certain percentage of their plot's registered area in order to service their own plot and their community with roads, footpaths, potable water, drainage, electricity, telecommunication, recreational open spaces, public amenities like, health clinic, creche, post office, banks, fire service station, police out post, shopping center etc. Apart from the above-mentioned the plot's shape would be regularized and would become a qualified urban plot with increased land value. In addition, Thimphu City Corporation would invest for the preparation of the Local Area Plans and would also invest in providing the infrastructure facilities (Roads, water supply, drainage, development of neighborhood node etc.) for the particular plot and for the entire Local Area/ Community.


**Land Pooling (Land Contribution/ Land Donation) Followed by Thimphu City Corporation.**  
As per the Local Area Plans prepared by Thimphu City Corporation, the pooling percentage was kept predominantly below 30%, relaxing the provision to have reserved plots for sale as per the Land Pooling technique which are commonly in practice (To recover the cost of the investment made in plan preparation and in providing infrastructures facilities). Thimphu City Corporation has also utilized the available government land within each LAP in order to maintain the pooling percentage below 30 % in majority of the Local Areas. In this process of providing infrastructure facilities the land would get shifted from its original location, but care is taken that the shifted plot remains within the same local area and with similar physical characteristics of its original location. Apart from the above-mentioned factors the landowners would also gain in terms of increased land value/property value due to the process of Urban Development promoted within their Local Areas by Thimphu City Corporation.

**Other Planning techniques available**  
In the current context of the Local Areas, where almost every plot is of irregular shape and are landlocked without any infrastructure facilities, there are very few options available to promote urban development in these areas. One of the options available is to acquire all the land parcels falling within the proposed services and amenities. In this process number of landowners would lose their landholdings and hundreds of land parcels would get fragmented. Therefore, this planning process would benefit only few landowners at the cost of other landowners. Further, regularization of the irregular plot shapes and providing direct vehicular access to each and every plot would not be feasible. Therefore the only other option available is to acquire the entire local area to promote a planned development which would facilitate TCC with more planning freedom and also would generate more income to TCC but would not benefit the original landowners of the Local Area.


Therefore Land Pooling is the best and appropriate technique to promote Urban Development on these local areas, which are predominantly landlocked.

**Option Available for Land Owners who are not interested in Land Pooling (Land Contribution/ Land Donation):**  
If a particular land owner is not interested or does not agree with the concept of Land Pooling or Land Contribution or Land Donation, his/her land would be acquired as per the provisions of Land Act and the compensation rate for the land would be as per the "Fair Price" or any other reasonable rate/price approved by Royal Government of Bhutan.

**Agreement**  
I/we, Chimmi Dorji on behalf of the ex Langmo, owner of Plot No. 911 Thrum No. 434 with a registered area of ..... dec/Sqft / sqm located in Lpma Local Area, has read and understood the concept of Land Pooling/Land Donation/Land Contribution, the alternative options available and I voluntarily agree to pool/contribute/donate 28.51 % of my plot's registered area as per the Lpma Local Area Plan, towards the infrastructure and public amenities development of my plot's local area, in the presence of the officials herein below and affix my signature.



Legal Officer  
Thrompon Thimphu City Corporation  
Date: 22/04/09 Place: TCC Thimphu



Name: Chimmi Dorji on behalf of ex Langmo  
Designation: ex Langmo  
Contact No. 1711040  
Date: 20/4/09 Place: Langmo

**Witness:**

Name: Tshen Dug Dorji  
Designation: ex Langmo  
Contact No. 1711040  
(City Committee Member)  
Date: 1/5/2009 Place: Thimphu

**Witness:**

Name: Kesang  
Address: .....  
Contact no. 17868887  
Date: 20/4/09 Place: Thimphu

ਅਛ ਘਰੇ ਬੈਧਾਉ ਚੜ੍ਹਾਇੰਨਾ ਘੜੀਐ।

[illegible]

མཆད་པའི་ཕ་མ་རྒྱུ་ལྟར་མ་མ་གྲོགས་མེ་མེའི་ཆོས་དཔལ་ལྡན་གྱི་དོན་ལུ་གནས་པ་ལོད་པ།




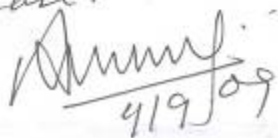
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## Annex 5: OAG Verification

	<p>ཕྱི་དོན་ཡོངས་ཁྲབ་ཡིག་ཚང་།</p> <p><b>OFFICE OF THE ATTORNEY GENERAL</b></p>							
OAG/Adm-MIS/187		3 <sup>rd</sup> September 2009						
<p>Hon'ble Lyonpo Ministry of Works &amp; Human Settlement Thimphu</p>								
<p>Subject: <b>Legal endorsement of LPA.</b></p>								
<p>Hon'ble Lyonpo,</p>								
<p>This has reference to the letter no. MoWHS/9/88, dated 3<sup>rd</sup> September 2009, wherein this Office was directed to endorse the land pooling agreements, which is a prerequisite to take up the construction works funded by the Asian Development Bank.</p>								
<p>In this regard, this is to submit that the Office had reviewed the agreements and found that all legal requirements were fulfilled. Therefore, this Office accordingly endorses the agreements for processing the loan from ADB.</p>								
<p>With due respects,</p>								
		<p>Yours faithfully</p> <p> (Kinzhi Benjor) Attorney General</p>						
<p>Copy:</p> <ol style="list-style-type: none"><li>1. The Secretary, MoWHS for kind information.</li><li>2. The Director, DUDES, MoWHS for kind information.</li><li>3. <input checked="" type="checkbox"/> The Executive Secretary, Thimphu City Corporation for kind information &amp; necessary action,</li></ol>								
<p><i>Project Manager (ASD)</i> <i>for information &amp; follow up</i> <i>action please.</i></p> <p> 4/9/09</p>								
<table border="0" style="width: 100%;"><tr><td>Received.....</td><td></td></tr><tr><td>Date.....</td><td>4/9/09</td></tr><tr><td>Diary No.....</td><td>24202947</td></tr></table>			Received.....		Date.....	4/9/09	Diary No.....	24202947
Received.....								
Date.....	4/9/09							
Diary No.....	24202947							
<p>POST BOX NO. 1045, THORI LAM, LOWER MOTITHANG, THIMPHU : BHUTAN TEL: (00975-2) 326889/324604, FAX: (00975-2) 324606</p>								



དཔལ་ལྷན་འབྲུག་གཞུང་། འབས་ཁྱོག་ལྷན་ཁག།  
ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF WORKS & HUMAN SETTLEMENT  
THIMPHU: BHUTAN  
"Towards Quality Infrastructure"



MoWHS/9/ 88

3 September 2009

Attorney General  
Office of Attorney General  
Thimphu

Dear Dasho,

May I invite your kind attention to letter No. TCC/PIU/ADB/2202/2009-10/34 dated 1 September 2009 from the Executive Secretary, TCC regarding Legal Endorsement of LPA. As I mentioned to Dasho this is very urgently required to enable the ADB to finalize financial support for the lower Thimphu Throm. The project has been delayed for years and the people are losing patience. We must make full effort to ensure that the project is not delayed any further.

Dasho is requested to kindly verify and endorse the Land Pooling Agreement as requested by Thimphu City Corporation.

Yours sincerely,

Yeshey Zimba  
Zhabtog Lyonpo

Cc:  
- Secretary, MOWHS  
- Executive Secretary, TCC

PA  
pl. put up to & on  
his return.

7/9/09

PM Pin

for information  
8/9

Received.....  
Date 7/9/09  
Dairy No. 2273

Tel: 00975-2-327998/328173/326793/322182/325171  
Fax: 00975-2-323144/322270/323122  
Po Box: 791

## Annex 6: Vulnerable Household Compensation

- As discussed with vulnerable person on 7<sup>th</sup> August 2009  
Aun Holey Mo has agreed with the Compensation in  
terms of rebate on demarcation and potential employment  
opportunities from the project. She being the single  
parent female headed household with seven other  
family members, she said that she will be happy  
to receive the compensation in any terms.

\*Holey Mo

Is no. 11410001739

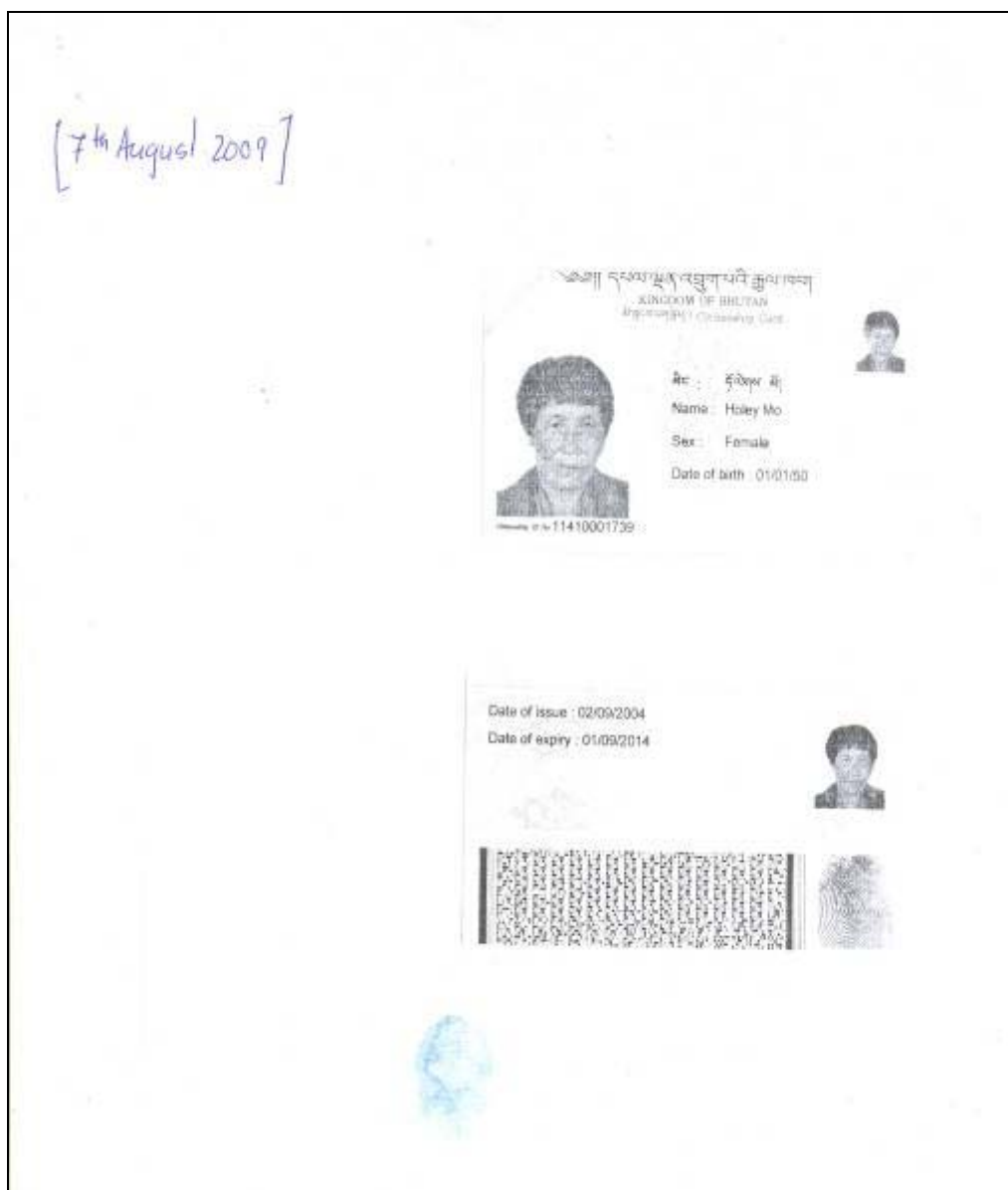
7764477 / 1764477

Lungkenphu.

[7<sup>th</sup> August 2009]  
TCC, PI4







## Annex 7: Replacement Cost of Fruit Bearing Trees—Methodology

The cost of the fruit bearing trees will be compensated at rates (Compensation Rate 2008 for cash crops/ fruit trees/ Annual crops of RGOB) calculated by including the cost of land preparation, pit digging, seedling, and fertilizer, planting and weeding. From year 1 onwards, till the maturity of the orchard (fruiting), all maintenance cost incurred has been capitalized since the expenditure do not result in any return and are to be treated as capital cost. When the trees start bearing fruit, the annual maintenance cost are to be recovered from the revenue generated and accordingly the net return earned is added to the cost of establishing the trees up to the fruiting stage.

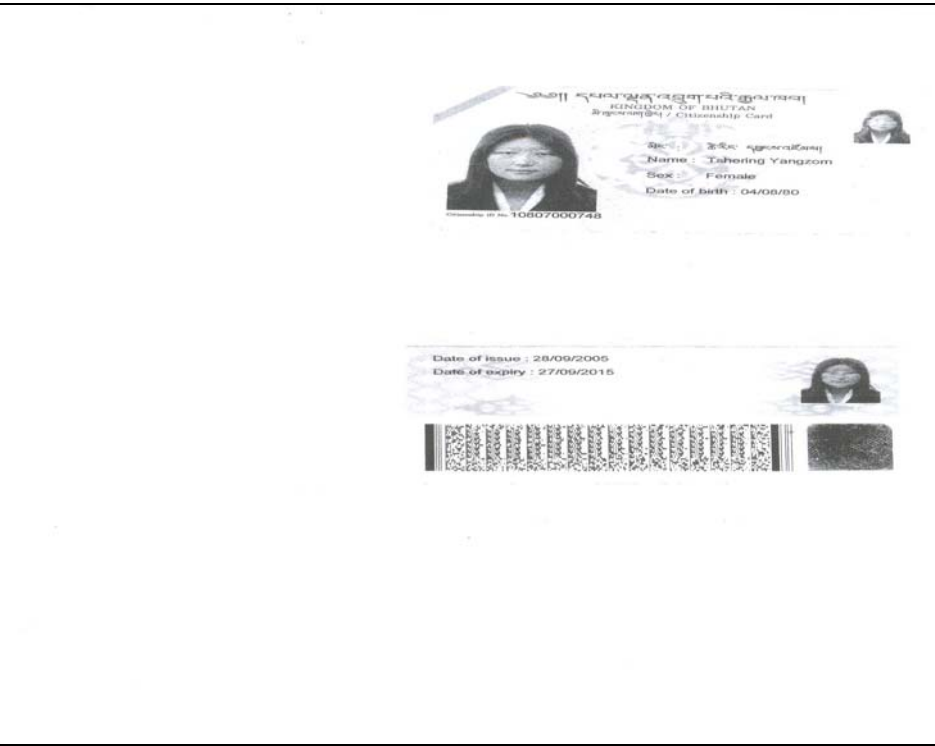
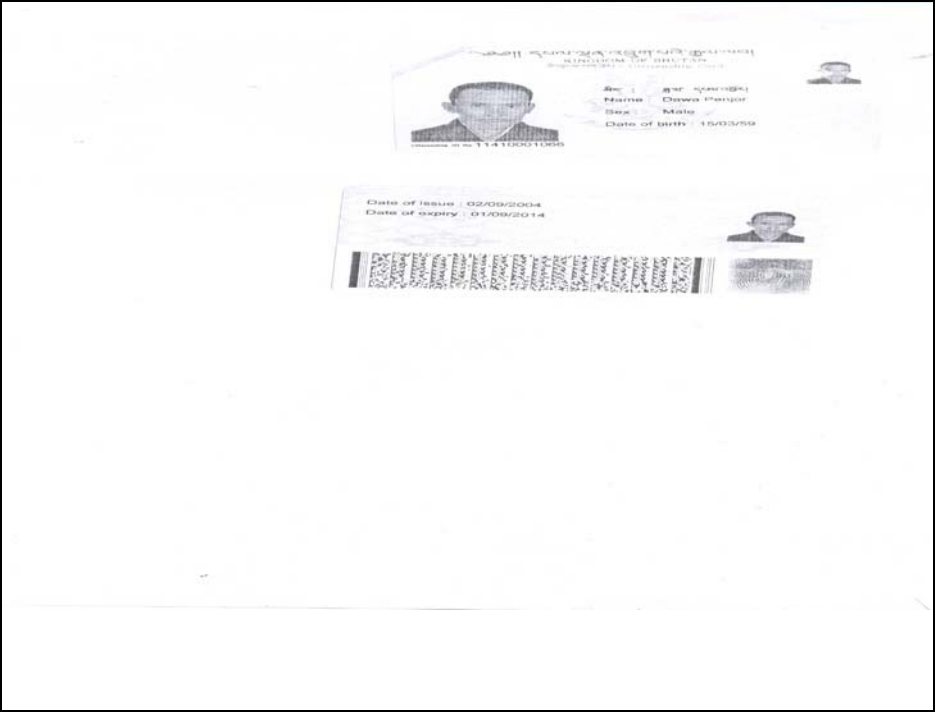
The present Cash Compensation Rate 2008 has been discussed with the Affected Persons and they have agreed with the current compensation rates. The comparative study

shows that the present cash compensation rate 2008 is almost 200-250 times higher than the previous cash compensation rates 1996. Therefore, the present cash compensation rate 2008 is equal or more than the market rates.

**Replacement cost of fruit bearing trees was calculated based on Compensation Rates 2008 for Cash crops/ Fruit trees/ Annual crops through Notification No. MoF/DNP/AR-53/2008/561 dated 3<sup>rd</sup> September 2008.**

Name	Plot No.	Tharm No	Type of loss (fruit trees) with number	Amount calculated at replacement cost (Nu)
Ms. Tshering Yangzom	213	24/B	Apple trees (43)	176,515.00
Dasho Chang Ugyen	51/B,52,53/C, 53/D,25,82,53,53/A,53/B,53/Y,82/A,82/B,82/C,120/A	16	Apple trees (57)	233,985.00
Late Choegyel Wangmo and Namgay Zangmo	1462/14	36/24,18,49	Apple trees (5) Peach (1)	20,525.00 1,692.00
<b>Total</b>				<b>432,717.00</b>

The above affected persons will be compensated towards the end of October 2009. The identification card of the affected persons is attached below for future reference and verification.





**Lungtenphug Local Area Plan (Pilot Area)**

Name of the owner: Lape Choegyel Wangmo and Namgay Zangmo  
 Plot No. 1462/14  
 Tharm No. 35/24, 15, 49

Name of the Tree	No. of Tree	Rate (Nu)	Amount (Nu)	Remarks	Photograph
Apple	5	4105	20,525		
Plum	1	1692	1,692		
Total	6		22,217		

  
 Owner

  
 Sociologist (TCC)

  
 Urban Planner (UPD)

  
 Engineer (PIU)

  
 Safeguard Specialist (PMC)

**Lungtenphug Local Area Plan (Pilot Area)**

Name of the owner: Ms. Tshering Yangdon  
 Plot No. 213  
 Tharm No. 24/5

Name of the Tree	No. of Tree	Rate (Nu)	Amount (Nu)	Remarks	Photograph
Apple	43	4105	176,615		
Total	43		176,615		

  
 Owner  
 S. D. CHEN MOA  
 Tshering

  
 Sociologist (TCC)

  
 Urban Planner (UPD)

  
 Engineer (PIU)

  
 Safeguard Specialist (PMC)

**Lungtengphug Local Area Plan (Pilot Area)**

Name of the owner: Daxho Chang Ugyen  
 Plot No: 51/B, 52, 53/C, 53/D, 25, 52, 53, 53A, 53B, 53Y, 52A, 52B, 52C, 120A  
 Thram No: 16

Name of the Tree	No. of Tree	Rate (Nu)	Amount (Nu)	Remarks	Photograph
Acacia	87	4100	233985		
Total		87	233,985		

  
 Owner

  
 Sociologist (TCC)

  
 Urban Planner (UPD)

  
 Engineer (PU)

  
 Safeguard Specialist (PMC)

ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE  
TASHICHHO DZONG

No. MoF/DNP/AR-53/2008/561

3<sup>rd</sup> September 2008

NOTIFICATION

**Subject: Compensation Rates 2008 for Cash Crops/Fruit Trees / Annual Crops**

The Royal Government hereby announces the revised compensation rates for cash crops / fruit trees / annual crops on land when acquired by the Government. The rates are as in the Attached Sheet.

This shall come into force with effect from the 1<sup>st</sup> of September 2008 and prevail for duration of three years.

These rates supersede the relevant rates in the Land Compensation Rates 1996.

This is as per Section 151. Chapter 7 of the Land Act 2007, and as per the decision of the Lhangye Zhungtshog's 15<sup>th</sup> session held on 26<sup>th</sup> August 2008.

-Sd-  
(Wangdi Norbu)  
Finance Minister

ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE

Compensation Rate – 2008								
Compensation rate for fruit trees / cash crops								
SN.	Crop	YRT*	0	1	2	3	4	5
1	Apple	5	484	784.00	1,384.00	1,684.00	1,984.00	4,105.00
2	Apricot	5	496	852.00	1,208.00	1,564.00	1,920.00	2,845.00
3	Areca nut	5	172	324.00	436.00	644.00	964.00	1,405.00
4	Avocado	5	424	744.00	1,064.00	1,344.00	1,704.00	2,280.00
5	Banana	2	114	174.00	174	174.00	174.00	174.00
6	Cardamom	5	29.60	33.60	37.60	41.60	45.6	77.00
7	Guava	5	372	576.00	780.00	984.00	1,188.00	1,490.00
8	Jackfruit	5	648	1,096.00	1,544.00	1,992.00	2,440.00	3,610.00
9	Lemon	5	356	756.00	1,156.00	1,356.00	1,456.00	1,820.00
10	Lime	5	292	452.00	612.00	772.00	812.00	1,065.00
11	Litchi	5	620	1,068.00	1,516.00	1,964.00	2,412.00	3,325.00
12	Mango	5	484	1,024.00	1,564.00	2,104.00	2,644.00	3,980.00
13	Olive	5	456	936.00	1,416.00	1,896.00	2,376.00	3,570.00
14	Orange	5	520	932.00	1,344.00	1,756.00	2,168.00	2,945.00
15	Papaya	4	180	225.00	270.00	285.00	380.00	380.00
16	Peach	4	372	651.00	930.00	1,119.00	1,664.00	1,692.00
17	Pear	5	392	712.00	1,032.00	1,352.00	1,672.00	2,490.00
18	Plum	5	420	776.00	1,132.00	1,488.00	1,844.00	2,750.00
19	Pomegranate	5	288	536.00	784.00	1,032.00	1,160.00	1,560.00
20	Pomelo	5	377	459.40	918.80	1,378.20	1,837.60	2,297.00
21	Tree Tomato	4	108.5	217.00	325.50	434.00	434.00	434.00
22	Bamboo	5	11.0	11.00	11.00	11.00	44.00	89.00
23	Walnut	5	708.00	1,112.00	1,516.00	1,920.00	2,324.00	3,410.00

Department of National Properties

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Compensation Rates 2008 for Cash Crops / Fruit Trees / Annual Crops

1. Compensation rate for Cash Crops / Fruit Trees

\* YRT is the time (years taken by a new seed / sapling to bear fruit or gain maturity)



ROYAL GOVERNMENT OF BHUTAN  
MINISTRY OF FINANCE

Department of National Properties

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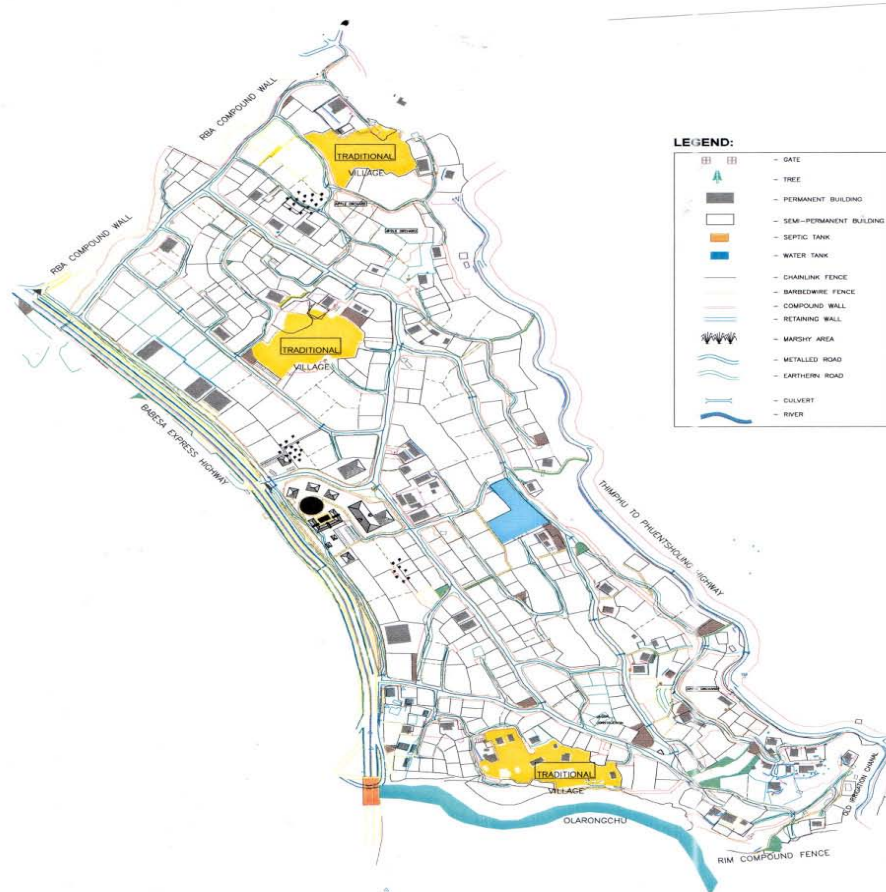
II. Compensation rate for Annual Crops

Crops	Rate (Nu. / acre)
Paddy	12,615.84
Wheat	2, 948.00
Chilli	48, 223.00

*Note:*

*In respect of the above compensation rates (i.e. I & II), the following conditions may be noted.*

- 1. For compensation payment, the claimant should be the legal owner of the land and/or of the property on the land. This should be ascertained with the ownership certificates of the land and/or of the property.*
- 2. Compensation payment should be made as admissible for land categories as registered in the Land Records (Tham).*
- 3. Where land is not required to be acquired immediately and thus where there is time for the owners to harvest their annual crops, land may be acquired only after the harvest of the crops.*



Topographical Features of Project Area