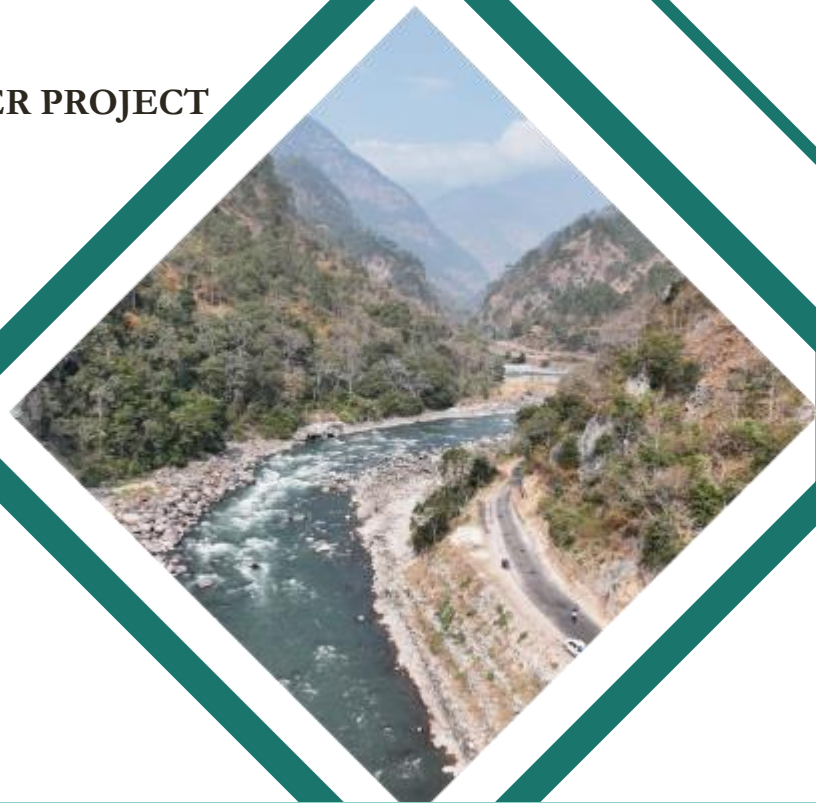


# LAND ACQUISITION AND LIVELIHOOD RESTORATION PLAN (LALRP)

## FINAL DRAFT

1125 MW DORJILUNG HYROPOWER PROJECT  
MONGAR AND LHUENTSE  
BHUTAN

MARCH 31, 2025



## TABLE OF CONTENT

List of Figures.....	v
List of Tables .....	vi
LIST OF ACRONYMS.....	vii
Glossary.....	ix
1 Introduction.....	1
1.1 General Overview of the Project .....	1
1.2 Project Needs and Requirements .....	6
1.2.1 Land Requirement for the Project .....	6
1.2.2 Requirements Summary .....	9
1.2.3 Alternatives and measures used to avoid and minimize impact on private assets .....	13
1.3 Purpose and principles for the LALRP.....	14
2 Project area context and profile.....	16
2.1 Methodology for Surveys.....	16
2.1.1 Census of Households assets .....	16
2.2 Socio-economic profile of the Project affected people .....	17
2.2.1 Demographic characteristics of affected households (PAH) and people (PAP) – census ...	17
2.2.2 Land tenure .....	21
2.2.3 Means of livelihoods and source of income .....	22
2.2.4 Income and expenditures .....	23
2.2.5 Access to basic services.....	25
2.2.6 Access to Credit and Saving.....	26
2.2.7 Community Dynamics – Gender, Ownership and Decision Making .....	26
2.2.8 Community infrastructure .....	27
2.2.9 Vulnerability assessment.....	31
3 Legal and institutional framework.....	35
3.1 Introduction.....	35
3.2 Overview of Bhutanese law and regulations on Land Acquisition.....	35
3.3 Institutional arrangements and functions for Land.....	43
3.3.1 Key Agencies .....	43
3.3.2 Main Functions in relation to Land .....	43
3.4 Institutional arrangement for land Transactions.....	45
3.4.1 Leasing.....	45
3.4.2 Acquisition .....	45
3.5 Lender policy requirements.....	46
4 ELIGIBILITY and ENTITLEMENTS.....	49
4.1 General Principles.....	49
4.1.1 Eligibility.....	49
4.1.2 Cut-Off date.....	50

4.2	Eligibility and entitlement matrix .....	50
4.3	Additional support for the PAHs.....	58
4.3.1	Assistance for the physically displaced household .....	58
4.3.2	Assistance for the economically displaced households.....	58
4.3.3	Assistance for affected vulnerable HHs .....	58
4.4	Approach to valuation.....	59
4.4.1	Asset data collection for valuation .....	59
4.4.2	Full replacement costs as the basis for compensation .....	60
4.4.3	Assets valuation.....	60
4.4.4	Compensation Options.....	61
5	Livelihood Restoration Program .....	62
5.1	Overview .....	62
5.2	Objectives and Principles .....	62
5.3	Detailed measures .....	63
5.3.1	General livelihood restorations programs.....	63
6	Community Participation-Resettlement Stakeholders' Engagement And Participation.....	66
6.1	Summary of previous activities.....	66
6.1.1	Consultation and participation engagement activities related to LALRP .....	66
6.1.2	Future Consultations .....	68
6.1.3	Information disclosure and Consultation .....	68
6.1.4	Disclosure of RAP Survey and Entitlement Matrix .....	68
7	Grievance Redress Mechanism (GRM).....	71
7.1	Grievance Redress Process.....	71
7.1.1	Grievance Redressal process of DHPP.....	71
7.1.2	Dissemination of information on GRM .....	71
7.1.3	Notification on Grievance Redress Committees and training on GRM.....	72
7.1.4	Grievance Resolution Committees– Gewog Level .....	72
7.1.5	Grievance Resolution Committee – Project Level.....	72
7.1.6	The GRM process.....	72
7.2	Closure of grievances .....	73
7.3	Grievance records and documentation .....	73
7.4	Focal Point of Contact for Grievance reporting .....	73
8	Monitoring and evaluation .....	75
8.1	Monitoring .....	75
8.1.1	Internal monitoring .....	75
8.1.2	External monitoring .....	75
8.2	Evaluations.....	76
8.2.1	Completion Report.....	76
8.2.2	External completion audit .....	77
8.3	Schedule of monitoring and evaluation.....	77

8.4	Monitoring indicators.....	78
8.5	Reporting requirements .....	78
9	Project implementation.....	81
9.1	Agreement on land acquisition between the project and RGoB.....	81
9.2	Responsibilities and institutional arrangements .....	81
9.2.1	Land acquisition process.....	82
9.3	Implementation of the LALRP .....	86
9.3.1	LALRP activities and implementation schedule .....	86
9.4	Arrangements for Adaptive Management.....	86
9.5	Budget and funding .....	91
9.5.1	Funding.....	91
9.5.2	Budget.....	91
Appendix I A: Summary of The Meetings Held and Minutes of the Meetings (February 2024 and August 2024).....		93
APPENDIX I B: Summary of The Meetings Held and Minutes of The Meetings (November 2024) .....		96
APPENDIX 2: Maps of Project Area .....		99
Appendix 3. Affected Plots by Dzongkhag, Gewog, Village and Components .....		101
Appendix 4: No Objection/Public Clearance .....		103

## LIST OF FIGURES

Figure 1-1: Location of Dorjilung HPP .....	4
Figure 1-2: Overview of the Dorjilung HPP .....	5
Figure 2-1: Sex ratio of respondents from PAHs .....	20
Figure 2-2: Levels of education of the PAPs by gender .....	21
Figure 2-3: Affected land class categories in Lhuentse .....	22
Figure 2-4: Affected land class categories in Mongar .....	22
Figure 2-5: Occupations of PAPs in the Project Area .....	23
Figure 2-6: Access to basic services among respondents .....	26
Figure 2-7: Decision making related to expense of the household.....	27
Figure 2-8: Distribution of vulnerable PAHS as per the vulnerability criteria.....	33
Figure 7-1: Two-tiered GRM of the Dorjilung Hydropower Project .....	71
Figure 7-2: Grievance Redressal Mechanism focal contacts .....	74

## LIST OF TABLES

Table 1-1: Dorjilung HPP facilities and their locations .....	2
Table 1-2: Project land requirement.....	6
Table 1-3: Land requirement type by Gewog.....	8
Table 1-4: List of structures impacted.....	9
Table 1-5: Affected Community Forest .....	12
Table 1-6: Key project layout alternatives selected.....	13
Table 2-1: Dzongkhag-wise description of impacted land parcels .....	17
Table 2-2: Dzongkhag-wise description of PAHs and nature of impacts. ....	18
Table 2-3: Dzongkhag-wise description of family size among PAHs.....	19
Table 2-4: Numbers of PAHs below poverty line in the past 2 years.....	24
Table 2-5: Different sociocultural group among the PAHs.....	27
Table 2-6: Education center statistics .....	28
Table 2-7: Health facilities, types of diseases.....	29
Table 2-8: Description of road and trails by the communities.....	30
Table 3-1: Relevant national laws and international policies .....	36
Table 4-1: Eligibility and Entitlement Matrix.....	51
Table 6-1: Consultation with PAPs.....	66
Table 6-2: Summary of meetings with Community Stakeholders.....	69
Table 8-1: Monitoring and reporting activities.....	77
Table 8-2: Evaluation and reporting activities.....	79
Table 9-1: LALRP Activities and Implementation Schedule.....	88
Table 9-2: Preliminary budget of LALRP .....	91

## LIST OF ACRONYMS

AVH	Assistance to Vulnerable Households
BCTA	Bhutan Construction and Transport Authority
CCAA	Competition & Consumer Affairs Authority
CCF	Construction Contractor Facilities
DLEC	Dzongkhag Land Exchange Committee
DGPC	Druk Green Power Corporation Limited
DHPS	Department of Hydropower and Power Systems
DMS	Detailed Measurement Survey
DoCDD	Department of Culture and Dzongkha Development
DoECC	Department of Environment and Climate Change
DoFPS	Department of Forest and Park Services
DoLAM	Department of Land Administration Management
DLGDM	Department of Local Governance and Disaster Management
DoW	Department of Water
DPR	Detailed Project Report
E&S	Environmental and Social
EIA	Environmental Impact Assessment
ESF	Environmental and Social Framework
ESIA	Environmental Social Impact Assessment
ESMP	Environmental and Social Management Plan
ESS	Environmental and Social Standards
FGDs	Focused Group Discussions
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
HH	Household
HIV	Human Immunodeficiency Virus
HPP	Hydro Power Plant/Project
HRT	Head Race Tunnel
JMT	Joint Monitoring Team
KII	Key Informant Interviews
LALRP	Land Acquisition and Livelihood Restoration Plan
LDP	Local Development Plan
LLRR	Land Lease Rules and Regulations
LMD	Land Management Division
LMP	Labour Management Procedures
MoAL	Ministry of Agriculture and Livestock
MDS	Muck Disposal Site
MoENR	Ministry of Energy and Natural Resources
MoESD	Ministry of Education and Skills Development
MoHA	Ministry of Home Affairs
MoICE	Ministry of Industry, Commerce, and Employment
MoIT	Ministry of Infrastructure and Transport
NLC/NLCS	National Land Commission / Secretariat
NWFP	Non-wood forest products
PAH	Project Affected Household
PAP	Project Affected Person

PAVA	Property Assessment and Valuation Agency
PMU	Project Management Unit
PNP	Phrumsengla National Park
RGoB	Royal Government of Bhutan
RP	Resettlement Plan
R&R	Rehabilitation and Resettlement
SL	State Land
TLLC	Thromde Land Committees
WB	World Bank



## GLOSSARY

Word / Term	Meaning
<b>Chatrim</b>	Act, statute
<b>Chhuzhing</b>	Land use term – land cultivated with irrigation (natural or artificial)
<b>Chiwog</b>	Administrative territorial unit (lowest level); can include several villages
<b>Chorten</b>	Stupa
<b>Drangpon</b>	Judge
<b>Dratshang</b>	Monastic Body
<b>Driglam namzha</b>	Code of etiquette
<b>Dzong</b>	Large fortresses, may be used for administrative and religious purposes
<b>Dzongkhag</b>	Administrative territorial unit (equivalent to a district/region); such as Mongar and Lhuentse Dzongkhags in the Project area
<b>Dzongda</b>	Chief of a Dzongkhag; equivalent to a regional governor
<b>Dzongkhag Tshogdu</b>	District Council and highest decision-making body in the district
<b>Gewog</b>	Administrative territorial unit (block under a Dzongkhag); can include several Throms / Thromdes
<b>Gewog Tshogde</b>	Local Government Council at the Gewog level/Gewog Assembly
<b>Goenpa</b>	Monasteries
<b>Gup</b>	Elected Head of the Gewog and Chairperson of Gewog Tshogde
<b>Kamzhing</b>	Land use term – land without irrigation (rainfed only)
<b>Kidu</b>	Benefits (social welfare) granted by the King or the Royal Government of Bhutan.
<b>Mangmi</b>	Elected representative of Gewog who serves as the Dy. Chairperson of Gewog Tshogde
<b>Nye</b>	Sacred pilgrimage site/religious sites/imprints that are considered the abode of a spiritual being
<b>Nu.</b>	Ngultrum (Bhutanese currency; BTN is the official trigram)
<b>Pangzhing</b>	Orchard land
<b>Ridam</b>	Customary practices which restrict access to mountains, groves, lakes, etc. during certain time of the year.
<b>Sokshing</b>	A plot of land with rights for leaf litter production and collection.
<b>Throm / Thromde</b>	Administrative territorial unit (municipality - urban); such as Mongar, Lhuentse and Gyelposhing in the Project area
<b>Thram</b>	Land title
<b>Thromde Tshogde</b>	Municipal Committee.
<b>Thrompon</b>	An elected representative and the Chairperson of the Thromde Tshogde; Municipal Administrator or Mayor.

<b>Thuemi</b>	An elected representative to Local Government.
<b>Tseri</b>	Shifting cultivation land
<b>Tsogpa</b>	Elected representative of a Chiwog and member to Gewog Tshogde; equivalent to a village head
<b>Tsogdu</b>	Governance system in Bhutan
<b>Yenlag Thromde</b>	The smallest form of Thromde, such as Autsho Yenlag Thromde. A Yenlag Thromde is one with a resident population of more than 1,500 irrespective of their census, where 50% or more of the population is dependent on non-primary activities and is less than 50 acres.
<b>Zomdu</b>	Village/Community meeting
<b>Note on units</b>	For most of the ESIA, the metric system is being used. Surface is expressed in acres as this is the commonly used unit in Bhutan.

## 1 INTRODUCTION

The Royal Government of Bhutan (RGoB) with support from the World Bank, issued National Guidelines for the Development and Construction of Hydropower in 2018 that incorporate good international practices including on integrating environmental and social (E&S) considerations to avoid or mitigate negative impacts.

In 2020, the RGoB, through the Department of Hydropower and Power Systems (DHPS) of the Ministry of Economic Affairs, requested World Bank assistance to develop its human and institutional capacity by applying this renewed framework to develop specific projects. The proposed 1,125 MW Dorjilung Hydropower Project was selected as a priority development and will be developed, implemented and operated by Druk Green Power Corporation (DGPC).

ARTELIA (with Phuensum Consultancy Service as its Bhutanese partner) was engaged in 2023 to revise the E&S documentation for the Project including the Environmental and Social Impact Assessment and associated reports to meet the requirements of World Bank Environmental and Social Framework (ESF) and applicable requirements of the RGoB. The revised E&S documentation will form part of the Dorjilung Hydropower Project Detailed Project Report (DPR, equivalent to a feasibility study).

In 2015, Druk Green Power Corporation Ltd. (DGPC) submitted a technical feasibility study (DPR) of Dorjilung HPP. The study was carried out by DGPC in association with M/s Energy Infratech Private Limited, India. This DPR included in Volume VIII an Environmental and Social Impact Assessment (ESIA) including an Environmental Management Plan (ESMP) and Resettlement Plan. The DPR included environmental and social impact screening and mitigation planning following the Asian Development Bank and Government of Bhutan requirements and produced Volume VIII of the DPR: Environmental Social Impact Assessment which included Component 1: Environmental Impact Assessment, Component 2: Social Impact Assessment, Environmental Management Plan and Resettlement Plan.

The previous Resettlement Plan (2016) was outdated and has been revised and updated (2023-2024) to a Land Acquisition and Livelihood Restoration Plan (LALRP). This new LALRP reflects changes to the Project design and footprint. It ensures that the Project meets national legislation requirements as well as World Bank's Environmental and Social Framework (ESF) requirements, particularly the Environmental and Social Standard 5 (ESS5).

### 1.1 General Overview of the Project

The Project, located in Mongar Dzongkhag with parts of the reservoir extending in Lhuentse Dzongkhag, in the eastern part of Bhutan, will have an installed capacity of 1,125 MW with an annual energy generation of 4,504 GWh. It has been designed as a run-of-the river project with a provision of live reservoir storage for meeting diurnal peaking capacity.

The project is located on Kurichhu, 6 – 22 km upstream of the existing Kurichhu Hydropower Plant. The dam site is located about 7 km downstream of Autsho. The shortcut section from the dam to the powerhouse is approximately 16 km long and the Powerhouse will be situated near Lingmethang. The project is to be completed in a period of 60 months including 3 months of mobilization period and about 18 months of pre-construction activities.

Table 1-1 provides a summary of the facilities and their location. Figure 1-1 and Figure 1-2 provide overview maps. Detailed maps of villages per Gewog are provided in Appendix 2.

Table 1-1: Dorjilung HPP facilities and their locations

Project component	Description	Location
Reservoir	The submergence area extends 6.80 km upstream of the dam axis covering a total area of 359.89 acres.	Tsenkhar gewog
Dam site	RCC/Concrete gravity dam, with a maximum height is 139.5 m of which 85 m will be above the riverbed level.  Total area for dam works is 11.1 acres.	Located at Rewan, Mongar
Headrace tunnel (HRT)	14.974 km long, 11m diameter single HRT to be constructed by drill and blast method.	Tsamang and Saleng gewogs
Adits	The HRT will be constructed through 6 intermediate construction adits of aggregate length of 3,675 m.	as above
Surge Shaft and Pressure Shaft	31 m circular open to the sky surge shaft. Three vertical steel lined pressure shafts each with a diameter of 5.50 m.	Saleng gewog
Powerhouse (PH)	Underground Powerhouse downstream of Kurizam on the right bank of Kurichhu. Two Tailrace tunnels (TRT) to convey discharge back to Kurichhu located upstream of the existing dam of Kurichhu Hydropower Plant (KHP).	Saleng gewog, Mongar
New access roads	27.58 km new access roads to various project components and work sites	Tsakaling, Saleng, Tsamang gewogs
New Public Road (re-alignment)	5.4 km of new road for realignment and 1 km of tunnel (0.75 km)	Tsamang and Saleng gewogs
Improvement of roads	8.93 km of road will require improvement (e.g. widening).	as above
Bridges	2 bridges required	Tsakaling, Saleng, Tsamang gewogs
Muck disposal sites (MDS)	12 MDS requiring approximately 198.743 acres to cater to access roads, HRT, Adits, Surge Shaft, Powerhouse	as above
Site Offices	One temporary site office requiring approximately 4.7 acres.	Tsamang and Saleng gewogs
Residential complexes	Direct workers will be housed in existing buildings in Autsho, Gyelposhing or Lingmethang. Contracted workers will be housed in new buildings within CCF areas.	Tsakaling, Saleng, Tsamang gewogs
Contractor Construction Facility (CCF)	9 CCFs that will require an estimated 101.131 acres, which will include colonies for employee (labour camps), site offices, stores/warehouse, workshops, parking yards for equipment, and fabrication yard	As above

Project component	Description	Location
Stockyards	Four stockyards will be used for material stockpiling, totalling 21.456 acres.	As above
Explosive Magazine	5 Explosive magazines totalling 2.8 acres	As above
Batching Plants	5 locations, totalling an area of 13.121 acres	As above
Construction Power	Total length approximately 19.81 km traversing an area of 58.74 acres.	Tsamang and Saleng gewogs
Quarry	Two quarry locations have been considered for the Project, totalling 26.9 acres.	Tsenkhar and Tsakaling gewog
Construction Water	Estimated total construction water per day required is 476 m <sup>3</sup> , sourced from tributaries.	Tsamang and Saleng gewogs
Power Evacuation Transmission Line (PETL)	<p>Two approximate route options are proposed for Dorjilung HPP. The two proposed corridor lengths from Dorjilung HPP powerhouse to Durungri PS are approximately 33.5 km for TL1 and 39.5 km for TL2.</p> <p>The Transmission Voltage is 400 kV, and the Generation Voltage is 13.8 kV.</p> <p>Based on the TL standards available online from Bhutan Power Commission, it is expected the TL Right of Way (RoW) would be 48 m with a minimum 5.5 m clearance distance from any tree. Towers are assumed to be required approximately every 350 m (300-500 m for 400 kV). <i>Information as presented is preliminary.</i></p>	The location extends south from Dorjilung HPP powerhouse to Durungri PS.



Figure 1-1: Location of Dorjilung HPP



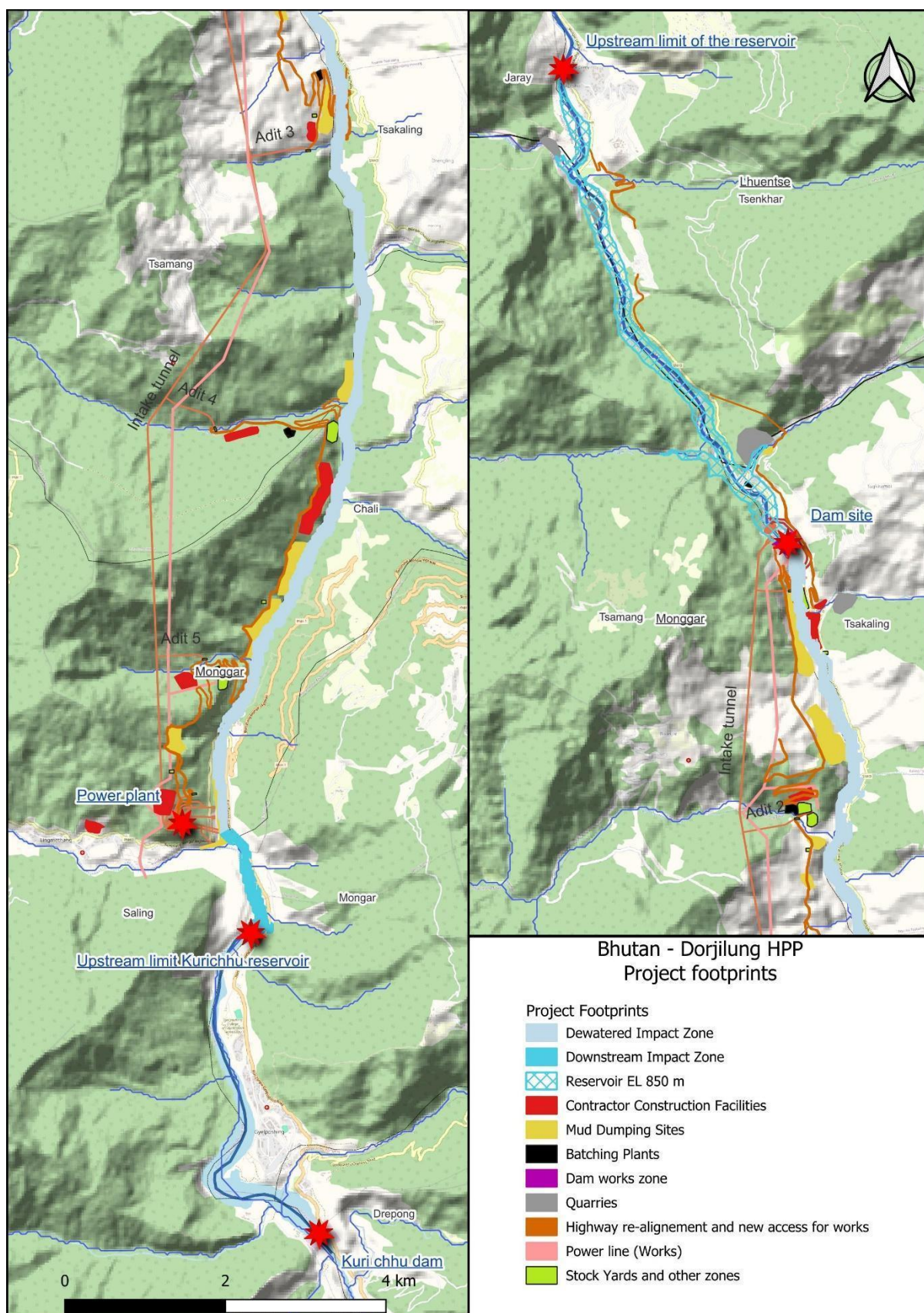


Figure 1-2: Overview of the Dorjilung HPP

## 1.2 Project Needs and Requirements

### 1.2.1 Land Requirement for the Project

The detailed breakdown of the land requirement for various components is shown in the following section. All the project and ancillary components have been finalized and used for determining the total land requirement of the project as shown in Table 1-2.

Table 1-2: Project land requirement

Aspect	Key points	Est. impact amount (acres)
Reservoir	The submergence area extends 6.80 km	359.89
Dam works zone	For dam wall construction.	11.10
Portal	For tunnel access	1.78
New Access Roads	27.58 km of new access roads to various project components and work sites will be required to be constructed	96.04
Road realignment	5.4 km of public roads needing realignment due to project components	24.87
Muck disposal sites	12 MDS to cater to access roads, HRT, Adits, Surge Shaft, Powerhouse	198.74
Non-residential buildings	1 temporary site office	4.71
Contractor Construction Facilities	9 CCFs are proposed to accommodate the contractor site offices, employee housing, labour camps, stores/warehouse, workshops, parking yards for equipment and fabrication yard	101.13
APP	1 Aggregate Processing Plant	1.75
Stockyards	Four stockyards will be used for material stockpiling.	21.46
Explosive Magazine	5 Explosive magazines	2.85
Batching Plants	5 locations (BP 1 measuring 0.982 acre falling under reservoir covered under submergence.	13.12
Quarries and borrow pits	Two quarry locations have considered for the Project	26.90



Aspect	Key points	Est. impact amount (acres)
Construction Power Line (CPL)	Total length approximately 19.81 km.	58.74
Power Evacuation Transmission lines	DGPC manages the power evacuation transmission line, and ESIA, separately to the main ESIA. An E&S Management Framework will be prepared as part of updated main ESIA.  The location extends south from Dorjilung HPP powerhouse to Durungri PS.	The LALRP only considers the impacts of the 33kV construction powerline and not the main evacuation transmission line. This impact will be assessed after detailed design is finalized. The compensation package will be designed and agreed upon in consultation with communities as per the ESS5. An addendum to LALRP for the evacuation transmission line will be developed as per the EES5.
<b>TOTAL</b>		<b>918.31<sup>1</sup></b>

The total private land affected, including the two institutional lands, amounts to 18.89 acres. The project will also acquire 900.08 acres of SRF land, bringing the total area to be acquired by the project to 918.31 acres.

The land required for the preparatory works (construction of the new access roads, road realignments above the dam and the areas where Contractor's Construction Facilities (CCFs) and Muck dumping yards) are given in Table 1-3.

<sup>1</sup> This acreage is calculated after subtracting the area affected by two or more components to avoid double counting.

Table 1-3: Land requirement type by Gewog

Gewog	Mode of Acquisition	Reservoir			CCF		Road			Stockyard		Muck Dump		Construction Power Line		Others (APP, BP, Portal, Office, Dam)		Total		
		PL <sup>2</sup>	SRF <sup>3</sup>	IL <sup>4</sup>	PL	SRF	PL	SRF	IL	PL	SRF	PL	SRF	PL	SRF	PL	SRF	PL	SRF	IL
Tsenkhar	Permanent	4.17	124.00	0.64	-	-	0.81	12.57	0.02	-	-	-	-	-	-	-	-	4.97	136.57	0.66
	Temporary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.31	-	1.31	-
Tsakaling	Permanent	2.87	33.53	-	-	-	0.39	17.87	-	-	-	-	-	0.40	7.67	-	5.60	3.26	57.00	-
	Temporary	-	-	-	5.57	6.70	-	-	-	1.99	1.34	-	1.68	-	-	1.75	1.11	9.31	10.83	-
Tsamang	Permanent	-	168.80	-	-	-	0.71	44.19	-	-	-	-	-	-	30.01	-	5.50	0.71	218.48	-
	Temporary	-	-	-	-	22.43	-	-	-	-	5.08	-	113.90	-	-	-	16.79	-	158.20	-
Jarray	Permanent	1.73	24.17	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1.73	24.17	-
	Temporary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Saling	Permanent	-	-	-	-	-	-	44.36	-	-	-	-	-	-	20.67	-	-	-	44.36	-
	Temporary	-	-	-	-	66.43	-	-	-	-	13.05	-	83.16	-	-	-	4.00	-	166.63	-
TOTAL	Permanent	8.76	350.49	0.64	-	-	1.91	118.99	0.02	-	-	-	-	0.40	58.35	-	11.10	10.68	480.58	0.66
	Temporary	-	-	-	5.57	95.56	-	-	-	1.99	19.46	-	198.74	-	-	1.75	23.20	9.31	336.97	-

<sup>2</sup> Private Land

<sup>3</sup> State Reserve Forest

<sup>4</sup> Institutional Land

## 1.2.2 Requirements Summary

### 1.2.2.1 Loss of private land

#### Physical Displacement

**One household having** a two-storied traditional house with associated structures (kitchen, toilet, water tank and sheds) will need to be physically displaced. Although the submergence does not completely encompass the house, it extends to a point very close to it. Based on site inspections of the affected area, the house is situated in the immediate vicinity of the water backflow extent.

#### Other impacts include:

- An unused poultry farm including a barbed farm below Autsho town (left bank) is closer to submergence and is identified as affected.
- Barbed wire fences around agricultural land are affected by submergence.
- An automobile workshop (including 4 wooden sheds with CGI sheets, a concrete ramp for car wash, 2 wooden toilets and 2 servicing channels) currently operated on a leased land of a private individual will be affected by submergence.
- An automatic water level station (NCHM) located at the old Autsho suspension bridge is impacted by submergence.
- Another traditional house, which is currently unused, falls under and will have temporary impact although relocation is not required.
- Barbed wire fences with wooden posts and ruins of poultry farms (pillars and posts) falling under CCF2 are temporarily affected.

#### Total Households Impacted

The project will affect 58 land plots, which belong to 50 Project Affected Households (PAHs) and 2 institutions. Since some households own multiple plots, the total number of affected households is 50. Additionally, one household leasing a plot for business purposes is also impacted, increasing the total to 51 affected households. Furthermore, 2 institutional plots are impacted, making the overall number of affected parties to 53. Socio-economic census surveys conducted in February and August 2024 covered 50 PAHs, excluding the two institutions and the household leasing the affected plots for business purposes. Among these 50 households, there are approximately 157 Project Affected Persons (PAPs).

Of the 53 affected parties, structures belonging to 6 of them will be impacted as shown in Table 1-4.

Table 1-4: List of structures impacted

SN	Household location	Details for structures	Remarks
1	Jarray, opposite of Autsho town	<ol style="list-style-type: none"> <li>Traditional residential house currently in use</li> <li>Unused poultry shed</li> <li>Unused shed</li> <li>Barbed wire fence with wooden pole</li> <li>Maize storage with random masonry wall</li> </ol>	The owner will be physically displaced as the reservoir submergence is close to the main house

SN	Household location	Details for structures	Remarks
		f. Temporary cow shed g. Kitchen with RRM wall and CGI sheets h. Toilet with RRM wall, CGI sheets and a set of water closet i. Water tank made with RRM	
2	Lower part of Autsho town	Unused poultry shed with wooden poles and old CGI sheets	Only economically displaced
3	Lower part of Autsho town	Barbed fence with wooden poles	Only economically displaced
4	Lower part of Autsho town, near old Autsho suspension bridge	Automatic water level station	Owned by an Institution: NCHM
5	Below Autsho Chorten	a. Four wooden sheds b. Concrete ramp for car wash c. Two wooden toilets with Indian type water closet d. Two servicing channels with RRM walls	The owner is currently a land lessee and only economically displaced
6	Rewan, near the motorable bridge	a. Barbed wire fence b. Wooden pillars and poles of what seems to be an old poultry shed	The land is left fallow and the structures was not used for a long time
7	Located at Rewan, beside the highway	Traditional house currently not used	The house may not be dismantled as the area will only be used for temporary basis until the project is completed.

### Loss of agricultural land

The Project will result in the acquisition of 18.89 acres of private land, of which 3.88 acres are currently under agricultural use, comprising 51.87% Kamzhing and 48.13% Chhuzhing.

Out of the 50 Project-Affected Households (PAHs), only six households will be impacted by the loss of six agricultural plots currently under cultivation. Of these, five plots will be affected solely due to reservoir submergence, while one plot will be impacted by reservoir submergence, the batching plant, and the construction of the power line collectively.

Additionally, 27 plots will have permanent impacts, with over 20% of each affected plot's area being impacted.

**12 HHs will have impacts through loss of trees.** A total of 342 fruit trees were identified as lost as a result of the Project.

#### 1.2.2.2 Loss of forest

The total forest area lost as a result of the Project is about 10,772.18 acres. Please refer to section 10.2.4.2.2 of ESIA for more details.

#### 1.2.2.3 Loss of community forest

Within the project area of influence (5 km) there are 10 community forest groups: 3 in Tsamang, 1 in Tsakaling, 1 in Saling, 2 in Chhali, and 3 in Tsenkhar. Two Community Forest groups may be impacted by the Project as described below.

Approximately 4.18 acres of Banjar Community Forest will be impacted by the new construction power line and contractor facilities located just below Banjar Pam. This section of the forest primarily consists of conifer and chirpine trees with low tree density and sparse canopy cover. Clearance for the affected community forest area was obtained from its members, who will be compensated in accordance with the Forest and Nature Conservation Act (FNCA), 2023.

Section 102 of the FNCA regulations states that as per Section 55 of the Act, the Royal Government shall exercise the right to implement and execute any developmental activity of national importance in the Community Forest. In the event that the Community Forest area is taken over by the government, a fair compensation determined by the Department may be paid to the Community Forest Management Group. This compensation is estimated by the Department of Forest and Park Services.

Another impacted area is the Sisingneysa Community Forest, situated between Doliphu and Yangla villages in Tsenkhar Gewog. Around 4.23 acres will be affected by the construction power line, while approximately 0.05 acres may be impacted by road realignment. However, the latter impact is minimal and can potentially be avoided. This section of the forest also consists mainly of chirpine trees with low density. Clearance for the affected area was obtained from community forest members.

While the affected portions of the community forests generate minimal income, alternative livelihood training will be provided as part of the livelihood restoration program for project-affected persons (PAPs). Additionally, community forest groups seeking alternative forest land to compensate for the loss may approach the Department of Forest and Park Services. The project will assist in facilitating the acquisition of new land should the community forest groups opt for this measure.

From the site survey, it was observed that the vegetation primarily consists of chirpine, with logging being a potential but limited income source due to the sparse tree density. The income generated from the two community forests (CFs) is minimal, and the community is not entirely dependent on them for their livelihood.

Compensation benefits will be allocated to a community-specific budget and invested in community development, while CF groups will retain access to alternative forest areas. Mitigation measures are outlined in the Biodiversity Management Plan (BMP), and as part of the livelihood restoration program, CF members will receive training and other support for alternative income-generating activities.

The affected Community Forest groups and potential impact are presented in the table below.

Table 1-5: Affected Community Forest

No.	Gewog	Community Forest Groups	Community Forest Management Group Members (HH)	Community Forest (acres)	Area impacted (acres)	Areas impacted by project components
1	Tsamang	Banjar CF Administered by PNP	46 households of Banjar, Pam and Jargot	539.43	4.18	Construction of a power line of 330 m cut crosses CF affecting about 0.91 acres by 12 m RoW (corridor). It is also affected by Contractor's Construction Facilities with about 3.27 acres of CF being used.
2	Tsenkhar	Sisingneysa CF	38 households	470.59	4.28	Road realignment

#### 1.2.2.4 Loss of community infrastructure and other assets

The Project will result in the direct submergence of the disused suspension bridge near Autsho, a NCHM automatic water level station and four electric feeder poles nearby the household that need to be physically displaced. No other community asset has been identified as being flooded and impacted by reservoir submergence of land clearing requirements.

#### 1.2.2.5 Loss of road

The Project will result in the direct submergence of about 3.72 km of public roads (highway) near Autsho. New roads will be constructed to replace the impacted roads, with a total new realignment road length of 5.4 km, and 1 km of tunnel (0.75 km).

#### 1.2.2.6 Loss of cultural sites

Aside from three Nye-dhos on the right side of Kurichhu and one Nye-dho near the old suspension bridge is to be submerged by the reservoir. No other known cultural site will be impacted by reservoir submergence of land clearing requirements. One stone bath in the dewatered section might lose in attraction as the water source will be farer, but it is not destroyed. One Chorten was noted to be already vandalized and desecrated. The population and authorities reported cases of desecration of chorten (stupas).

#### 1.2.2.7 Direct loss of economic activities (business)

An automobile workshop business located near Autsho chorten who have leased land from the affected people is to be submerged by the reservoir.

### 1.2.3 Alternatives and measures used to avoid and minimize impact on private assets

During the preparation of the 2016 DPR, and the current update of the DPR, consideration of alternative project locations has been taken. Specific detail is provided in section 5.3 and 5.4 of the ESIA main document. A summary of specific alternatives with reduced layout and reduced social impacts is presented in the below table. Specific project layout planning also included consideration of the percentage impact on private land, and efforts were made where possible to allow continued use of the remaining unimpacted land parcels.

Table 1-6: Key project layout alternatives selected

Facility	Discussion	Estimated Reduction in area
Residential Accommodation and Colonies	DPR 2016 included the provision of dedicated residential complexes and construction camps (colonies).  An alternative involving no dedicated colonies was considered, and selected, during the DPR update.	The selected alternative reduces 60 acres of potential impact (amount of private land impact reduced not known).
Roads	Two alternatives for road realignment we considered.	The selected alternative reduces 3.74 acres of private land impact (1.497 hectares of impact remains).
Muck Disposal Sites	Two alternative arrangements for Muck Disposal Sites were considered.	The selected alternative has no impact on private land (removes 1.55 acres of private land impact).

### 1.3 Purpose and principles for the LALRP

The purpose of the LALRP is to document how Land Acquisition and Livelihood Restoration has been planned and how they will be implemented. The principles and objectives adopted in this LALRP are governed by the requirements of the Royal Government of Bhutan and the World Bank. Its main objectives are to:

- Avoid, and when it is not possible, minimize and mitigate impacts of involuntary resettlement on affected persons resulting from the implementation of the project.
- Provide full and accurate information about the project, and afford Project Affected People (PAP) meaningful opportunities for participation in design, implementation and monitoring, with particular attention paid to the requirements of vulnerable households and women.
- Ensure that people who are adversely affected are fully compensated and successfully resettled; the livelihoods of economically displaced people are re-established, and that their standard of living is, wherever possible, improved.
- Prevent the impoverishment of affected persons as a consequence of compulsory land acquisition or loss of livelihood due to project activities.
- Make certain that all affected persons are informed of the resettlement process and are aware of the grievance resolution system available through the project.
- Provide, when needed, additional assistance for vulnerable groups, such as women-headed households.
- These objectives will be achieved in this LALRP through the application of the following guiding principles:
  - Avoid, and when it is not possible to avoid, minimize involuntary resettlement through a combination of:
    - Ensuring that design engineers incorporate the need to minimize involuntary resettlement into the design process.
    - Introducing flexibility into design standards for placement of project infrastructure, wherever possible, and
    - Holding frequent meetings between the design and resettlement teams, and discussions with affected persons.
- Implement an inclusive approach to entitlements that includes compensation and other assistance for those with no legal right of and occupancy as well as those with legal or recognized customary title to their land and those with land use rights.
- Compensation for land that will be lost will be at full market value, and assets at full replacement value.
- Provide cash compensation and/ or in-kind assistance, including relocation sites where economically feasible, that best suits the needs of affected persons commensurate with the extent of the impacts that they will experience.
- Provide transportation and disturbance allowance to mitigate the impact on the livelihoods of affected persons having to relocate their residence and/or business
- Implement measures to restore the livelihoods affected by the project so that PAPs who lose income because of project activities will be able to maintain their current standard of living.
- Implement any additional measures to address the relocation needs of vulnerable groups.



- Maintain a continual process of consultation, disclosure, and negotiations with affected persons throughout the entire resettlement process, including establishing an accessible and transparent grievance redress procedure, and
- Implement a clear and transparent process for the disbursement of any monetary compensation.

## 2 PROJECT AREA CONTEXT AND PROFILE

In this chapter a summary of the socioeconomic environment of the Project area and specific details of the households directly affected by land acquisition and resettlement is provided. A baseline socio economic census was conducted between February and August 2024 to collect information on land, house and other asset ownerships. It is important to note that the first round of data collection occurred in February 2024 and collected socioeconomic information for the 53 PAHs out of total 79 affected PAHs at that time. In August 2024, socioeconomic and land ownership information for those households who were either absent from their properties during the previous survey round, or whose properties were not previously included in the identified lands to be acquired due to differences in original and final alignment/location of some Project components, were covered.

In the first week of January 2025, Bhutan Power Corporation carried out a detailed survey for the Construction Power Line (CPL) and adjusted the route. As a result, only five private land plots, owned by five Project Affected Households (PAHs), are impacted, and these plots were already affected by other components of the project. Consequently, the total number of PAHs has decreased from 79 to 53, as the CPL does not affect any additional private land.

The information relating to land/asset ownership presented in this LALRP is based on the data available as of August 2024 and the resurveyed data from November 24, 2024 and recent CPL survey in January 2025. This will be suitably updated during the implementation of LALRP as needed. The cut-off date, which is the notification to the PAPs in accordance with the Para 4.10 and 20 of ESS5, was established on November 26, 2024. The land acquisition notification was widely notified through formal write-up counter-signed by the head of the Gewog (Gup) and also well communicated to the PAHs during consultation meetings and disclosed on signboards in local government offices.

### 2.1 Methodology for Surveys

#### 2.1.1 Census of Households assets

The project proponent conducted a census survey that included documentation of the socio-economic profile of the PAHs and comprehensive inventory and measurement survey of the affected land and/or non-land assets, and a detailed census survey of the impacted families. All assets identified by the survey team as being affected were meticulously recorded and verified in the presence of the affected individual or their representative. The census, which also established the socio-economic baseline for the PAHs, will be used to understand the changes in the livelihood of the PAHs and to ensure that their livelihoods are restored at least to the pre-displacement phase or better.

The aims of the socio-economic/baseline study are threefold:

- To comprehend the existing socio-economic profile of affected households
- To identify and evaluate the project's impacts with the intention of devising strategies to restore and enhance the quality of life for the impacted households, and
- To establish a baseline for the ongoing monitoring and evaluation of the LALRP implementation.

The surveys also served as a platform to communicate information on the project activities and their forthcoming impacts with the PAPs. This approach was instrumental in setting up monitoring parameters

and indicators that will be employed to assess the project's influence on the socio-economic conditions of the affected population.

To gather information, a comprehensive questionnaire was used, covering a range of topics including (i) demographic details of the PAPs; (ii) ownership details of land and structures affected; (iii) income and expenditure patterns; (iv) health status; (v) livestock ownership; (vi) sources of income and expenditures, and (vii) possession of other assets, among others.

The census of affected people entailed an initial desk review of data extracted from maps where the project structures were overlaid on the cadastral data to identify area impacted and land ownership. Based on this a list of all affected landowners by each of the project components was extracted and formed the basis for the census. Appendix 3 provides the number of plots impacted by the project.

A total of 53 HHs including two institutional landowners and one land leaser, were identified as potentially impacted by the HPP project components, including the right-of-way for the construction power line.. The census successfully covered all 50 identified project-affected households (PAHs) whose lands are impacted. However, the survey did not include the land lessee or the two institutions.

## 2.2 Socio-economic profile of the Project affected people

This section clarifies the analysis of baseline socio-economic data and characteristics pertaining to the subset of the population affected by the project. This analysis not only furnishes a socio-economic backdrop for the project but also aids in discerning insights for the development of indicators crucial for the monitoring and evaluation of the LALRP.

Out of the total 50 PAH respondents, only 2 do not own a mobile phone. A majority (44) of households own a TV set and 41 have Choeshams (altars) in their homes (also indicative of the majority of Buddhist among the PAHs). 35 of the PAHs do not own a family car or other vehicle.

In the context of rural Bhutan on what is deemed “essential”, 46 PAHs own the essential household items like rice cooker, curry cooker, water boiler and refrigerator while 46 own rice cookers & curry cooker and 45 own water boilers. 10 of the PAHs do not own refrigerators and 23 PAHs do not own a washing machine.

Most PAHs house structures have CGI sheet roofs (37) with only 3 having wooden roofs 5 PAHs indicated having no house on their affected plots. 37 of the structures with CGI sheet roofing are made of stone walls while 13 are of cement walls, 1 with wood walls and 23 are of stone wall.

### 2.2.1 Demographic characteristics of affected households (PAH) and people (PAP) – census

The project will impact a total of 58 plots owned by 2 institutions and 50 PAHs, as some households have multiple affected plots. Specifically, in Lhuentse, Tsenkhar, one landowner has three affected plots, and two landowners have two affected plots each. In Mongar, Tsakaling village has two landowners with two affected plots each. as the detailed figures are presented in Table 2-1.

Table 2-1: Dzongkhag-wise description of impacted land parcels

Dzongkhag	Gewog	Village	Land/Class Category	# Plots Affected	Component
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Lhuentse	Jarey	Jarey	Kamzhing Class D	2	Reservoir Submergence
	Tsenkhar	Tsenkhar	Kamzhing Class A	6	Road realignment from Doliphug farm road to Autsho
			Kamzhing Class D	1	
			Institutional Land Class A	1	
			Chhuzhing Class A	4	Reservoir submergence
			Chhuzhing Class D	5	
			Kamzhing Class A	4	
			Kamzhing Class D	1	
			Institutional Land Class A	1	
TOTAL # of Plots Affected in Lhuentse				25	
Mongar	Tsamang	Tokari	Kamzhing Class C	1	Access road to Adit 3
			Kamzhing Class C	3	Access road to Adit 3 and Tokari farm road (Bypass)
	Tsakaling	Tsakaling	Chhuzhing Class C	3	
			Chhuzhing Class D	3	
			Chhuzhing Class D	1	Aggregate Processing Plant 1
			Chhuzhing Class D	1	Batching Plant 1
			Chhuzhing Class D	2	Contractor's Construction Facilities 1
			Chhuzhing Class D	14	Contractor's Construction Facilities 2
			Chhuzhing Class D	5	Reservoir submergence
			Chhuzhing Class D	5	Stockyard 1
			Chhuzhing Class D	5	Construction Power Line
			TOTAL # of Plots Affected in Mongar		
GRAND TOTAL # of Plots Affected in Lhuentse and Mongar				58 (after deduction of the same plots being affected by more than one project components)	

The preliminary sampling survey of the PAPs carried out in February 2024 and the Census conducted in August 2024 was able to cover all of PAH including the vulnerability assessment covering 50 PAHs including approximately 157 PAPs. The Dzongkhag-wise distribution of PAHs with nature of impacts is shown in Table 2-2.

Table 2-2: Dzongkhag-wise description of PAHs and nature of impacts.

Dzongkhag	Gewog	Village	Physical displacement	Economic displacement	Total
Lhuentse	Jarrey	Jarrey	1	1	2
	Tsenkhar	Autsho		17 <sup>5</sup>	17
		Kawachen		1	1
		Yangla		1	1
		Golungphu		1 <sup>6</sup>	1
Mongar	Tsamang	Tokari		4	4
	Tsakaling	Churtsa		1	1
		Drenglinghorong		2	1
		Drongtey		2	1
		Kalingthrumling		5	4
		Takhambi		9	8
		Nyeartsi		7	7
		Thosogonpa		1	1
<b>Total</b>			1	52	53

**Family size:** The national average household size is 4 (3.8 in urban areas and 4.1 in rural areas). The average members per HH in the survey area is 3.14 which is indicative of the HH members living there presently. However, as per the national census data, for all members with their census in the relevant districts who are not presently living there, this average is 8.76. The Table 2-3 provides a Dzongkhag-wise description of family size.

Table 2-3: Dzongkhag-wise description of family size among PAHs

Dzongkhag	Gewogs	# HH	Average Family (HH) Size
Lhuentse (19)	Jarrey	2	3.50
	Tsenkhar	17	3.82
Mongar (31)	Tsakaling	27	2.67
	Tsamang	4	3.25
<b>TOTAL</b>		<b>50 (excluding two institutional lands and the workshop owner)</b>	<b>3.14</b>

**Sex Ratio:** As per the birth statistics revealed in the 2023 Vital Statics Report Bhutan, male births outnumbered female births with 5,144 males and 5,013 females yielding a sex ratio of 103. Out of the households surveyed, in Lhuentse out of the total 19 respondents, 6 were female and 13 were male. The majority of the female respondents were from Tsenkhar (5). In Mongar, out of the total 31 respondents, 17 were female and 14 were male where the majority of the female respondents were from Tsamang (26).

<sup>5</sup> Two institutions that have their land affected are included here.

<sup>6</sup> Economically displaced business owner (Auto-mobile workshop located near Autsho chorten).

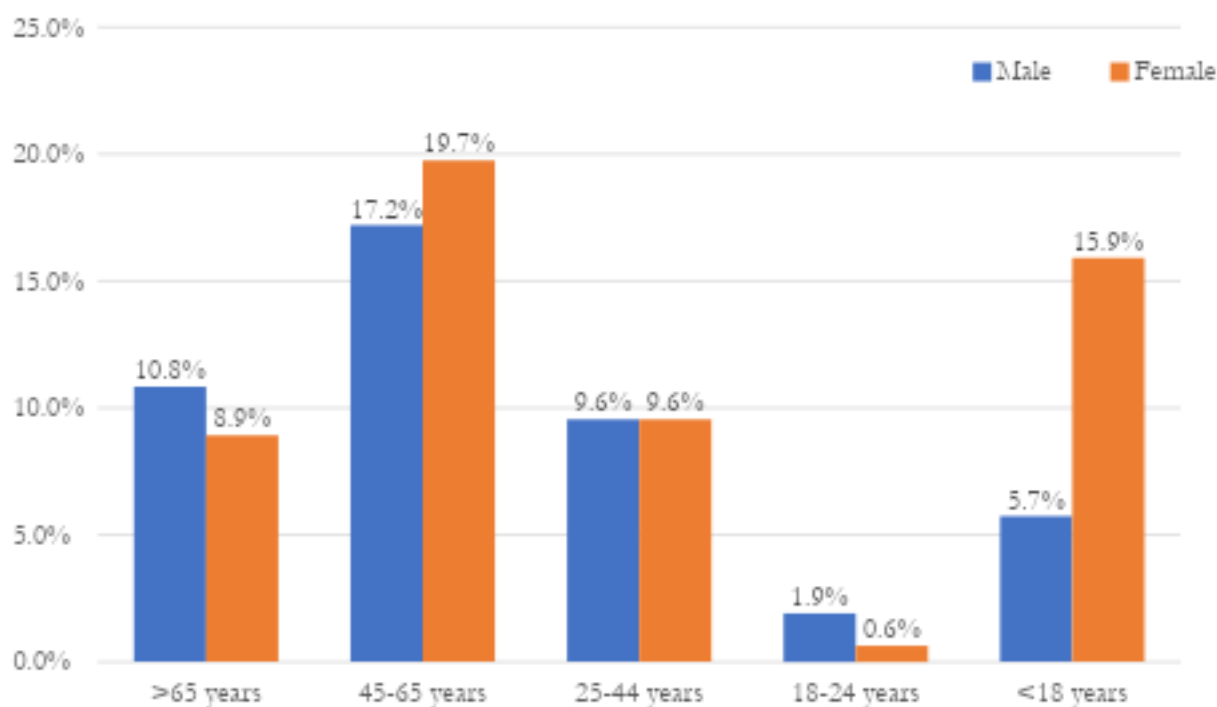


Figure 2-1: Sex ratio of respondents from PAHs

The majority of the PAPs fall within the 45 to 65 years age bracket at 36.9%; 19.7% falls within the >65 years elderly age group; 19.2% falls within the 25 to 44 years of age; 21.6% are under 18 years of age and only 2.5% fall within the ages of 18 to 24 years. Overall, the graph points to a higher proportion of younger females in the population and a relatively balanced distribution among the central age categories except in the 18 to 24 years age bracket where there are fewer females than males.

In terms of marital status, more than half of the PAPs (61.8%) are married, 1.3% are divorced, 3.8% are widowed and the majority of 32.5% have never married – of this 2 are above the ages of 65 years and the larger portion of 32 are under 18 years of age.

**Literacy:** The literacy rate in Bhutan 70.2%, 82.1% in urban and 62.9% in rural areas. The BLSS (2022) data indicated that 77.1% of males and 63.6% of females across all ages are literate<sup>7</sup>. The literacy rates are significantly higher among younger age groups (15-24 years) in comparison to older age groups (>65 years). The August 2024 survey determined that among the female PAPs, the majority of 53.5% had not studied at any education level with 5.8% being of the non-schooling age, 7.0% had non-formal education (NFE) and the remaining were enrolled at primary, middle secondary and high schools. Only 2 females indicated education beyond high school and no female indicated having pursued monastic education. Among the male PAPs, a majority of 52.1% indicated no education at any level followed closely by 29.6% enrolled at various levels of school and only 1 PAP being of non-schooling age. 5.6% indicated having studied beyond high school with 2.8% completed NFE and 8.5% who had monastic education.

<sup>7</sup> Bhutan Living Standards Survey Report (2022), NSB

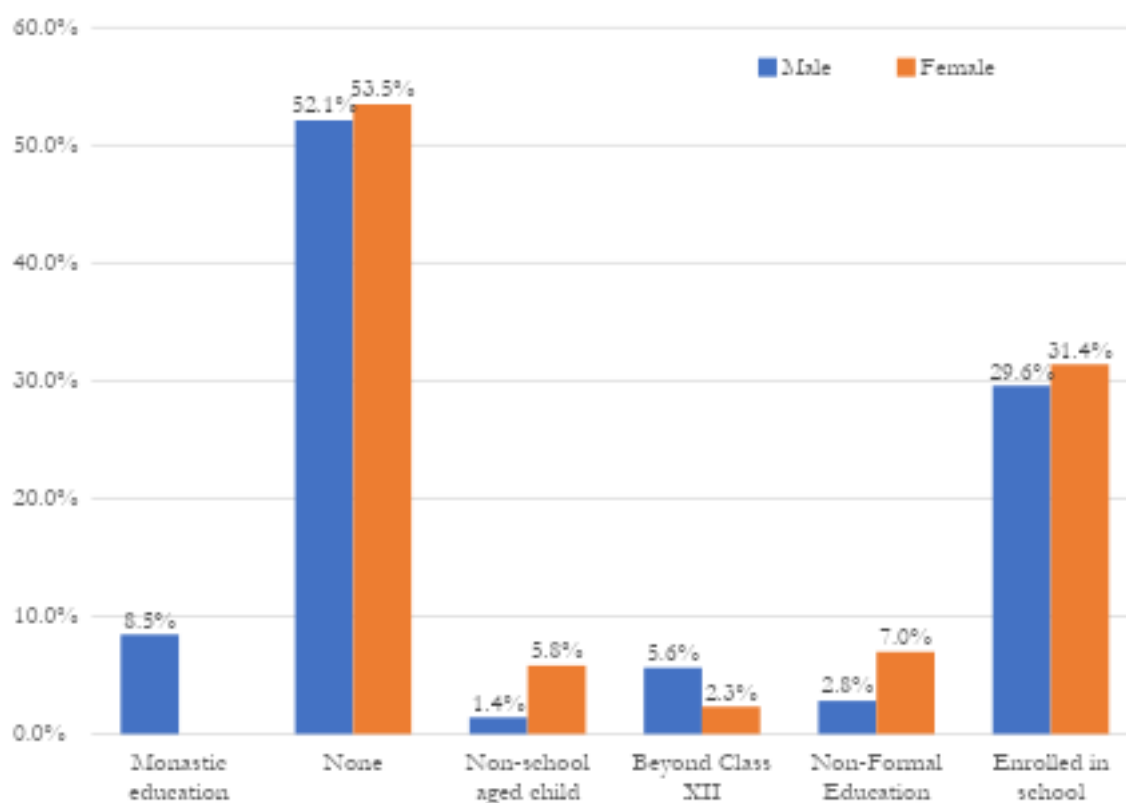


Figure 2-2: Levels of education of the PAPs by gender

### 2.2.2 Land tenure

Land in Bhutan, as per the Act, are categorized as Chhuzhing (wet land); Kamzhing (dry land); Cash crops land used for: Apples, Oranges, Cardamom, any other cash crop; Residential land; Industrial land; Commercial land; Recreational land; Institutional land; and any other land designated by the NLCS on a case-by-case basis. Any land owned by a person is required to be registered in the Thram in the administrative jurisdiction of the Gewog and Dzongkhag where it is located whereby a person may own more than one Thram (with different Thram numbers).

**Land Holding Patterns among the PAPs:** Land holding patterns across the Project area are consistently similar falling within the categorizations of Chhuzhing (Classes A, C and D); Kamzhing (Residential; Classes D and C); and Institutional Land (Class A) among the 50 PAHs. The figure below shows the affected land classification among the 58 affected plots in project area.

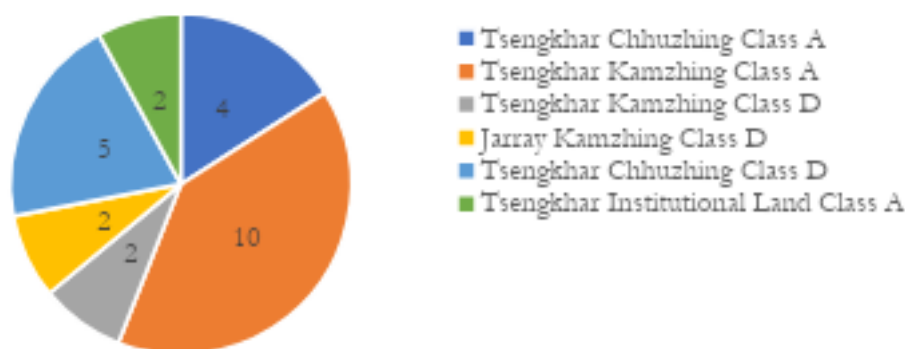


Figure 2-3: Affected land class categories in Lhuentse

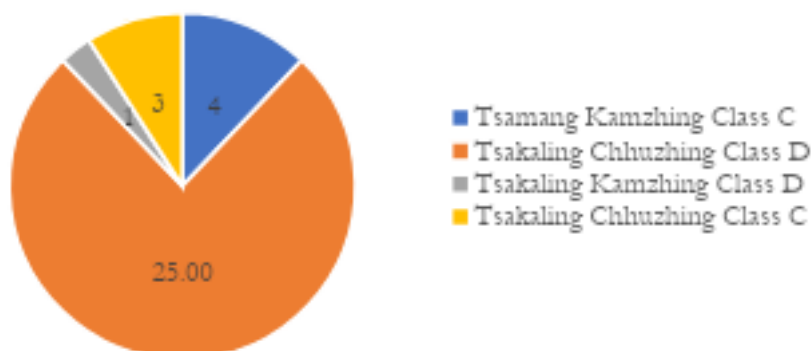


Figure 2-4: Affected land class categories in Mongar

### 2.2.3 Means of livelihoods and source of income

Of the total 50 PAHs respondents, it is important to analyse this data in the context of there being a larger number of female-headed households (29) in comparison to male-headed households (21). The 29 female headed households are further divided into two groups:

- FHH group 1 – where the respondent is female and the household head (20) - Out of these 20 FHH, 18 are losing land only; one is losing land and structure; and another one is losing land and fruit trees on land.
- FHH group 2 – where the respondent is male, but the household head is female (9) - Out of these 9 FHH, 7 are losing land only; one is losing land and structure; and another one is losing land and fruit trees on land.

From the survey it is evident that the Project area hosts a primarily agrarian occupation with farmers constituting the majority of 54% and within this percentage, 56.9% of farmers are female. Typically, most of the PAHs are dependent on agriculture for sustenance or as a source of income as indicative of the primary occupation. Under “Others”, occupations include retirees, Dessups, tourism workers, housewives, police and one cook. Figure 2-5 indicates the different occupations among the PAPs in the Project area.



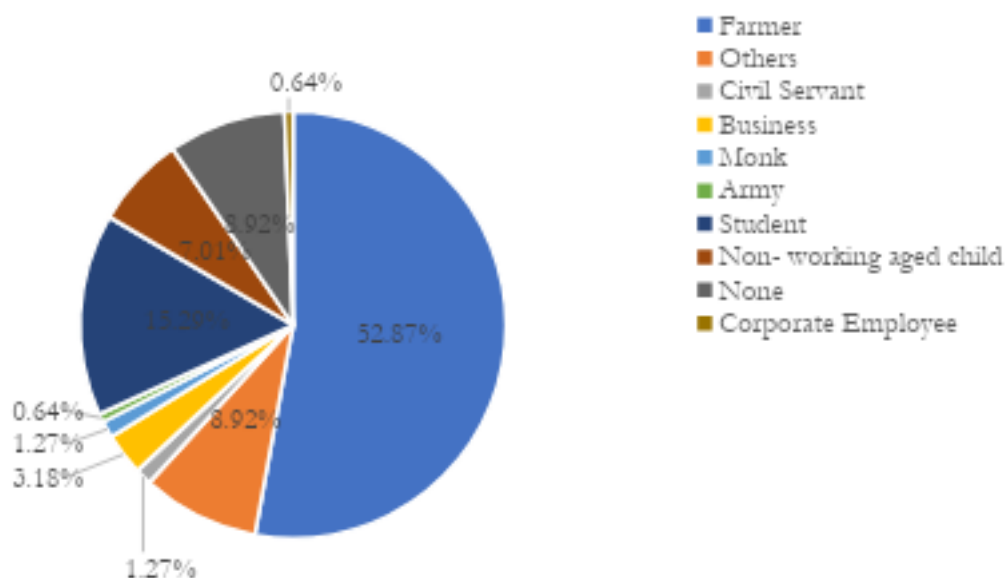


Figure 2-5: Occupations of PAPs in the Project Area

Most of the PAHs are farmers with a majority (35 out of 50 PAHs) practicing subsistence farming as determined by the data collected from the survey that indicated they have no income earned from agricultural produce. 15 of the remaining PAHs have indicated income amounts from the sale of agricultural produce. Of this, the average income received from sale of agricultural produce is Nu. 79,800 with the highest income at Nu. 350,000.00 and the lowest at Nu. 5,000.00.

#### 2.2.4 Income and expenditures

Among the PAHs respondents (50 – 23 female and 27 male), 4 respondents indicated that they receive pension (3 male and 1 female). The pension amount varies significantly with the highest being Nu. 10,800.00 and the lowest being Nu. 4,000.00 (one respondent did not provide an answer regarding the amount received. Only 6 respondents (3 male and 3 female) indicated having savings of varying degrees. Respondents also indicated additional sources of income in a mixed manner which included:

- Other Jobs – 13 respondents indicated that they receive income from other jobs like performing rituals, business, selling fruits and fried maize (Tengma) and regular paid employment (not specified)
- From Dairy Products – 7 respondents indicated that they make additional income from the sale of dairy products.
- From Livestock – 9 respondents indicated that they receive additional income from livestock.
- From Cash remittances – 26 respondents indicated receiving remittances.
- Other Sources – 6 respondents indicated receiving additional income where business and vehicle were specified by 2 respondents.

The average annual income among the 50 PAHs is Nu. 121,958.14 Income sources include paid jobs, seasonal work (contract etc), pension, savings, sale of dairy products, livestock products, poultry products, agricultural products, cash remittances and others (performing rituals, rentals, vehicle hire, business). Only 6 respondents indicated that they had savings averaging Nu. 60,833.33.

The average annual expenditure among the 50 PAHs is Nu. 231,103.96. The types of expenditures are for food, children's education, essential food items, agricultural inputs, hired labour, clothes, health, fuel for cooking and lighting, repair and maintenance, utility bills, annual pujas and rituals, festivals, contributions, transport/vehicle maintenance, rural taxes and insurance. Households with a deficit is typically where money has been provided by relatives/family members, specifically during annual rituals, or where income has been understated and expenditure has been potentially overstated. Where there are genuine household deficits, the risk is that cash compensation might be used to finance the deficits rather than fulfil asset replacement. This is one of the reasons that in-kind compensation is generally preferred.

Of the expenditures, the highest was for annual Pujas and Rimdros (rituals) averaging Nu. 53,220.00. This might be presumed to be associated with Buddhist ritual practices since the majority of the PAH's are Buddhist. The second highest expenditure is for essential food items at an average of Nu. 37,204.00 with only 8 PAHs with no definite amount. This is followed closely by expenditure towards subsistence farming at an average of Nu. 28,330.00.

17 PAHs indicated no expenses in the past one year for agricultural inputs and can be presumed to be attributed to the larger subsistence farming backgrounds of respondents. This data further correlates to the occupational data that indicates the overwhelming majority occupation as farmers. The least expenditure is for rural tax and agricultural inputs averaging Nu. 2,047.60 and Nu. 2,729.76 respectively.

The median income among the 23 female respondents is Nu. 36,000.00, while the median income among the 27 male respondents is Nu. 20,000.00, interestingly indicating a significant gender disparity in income levels despite the similarity in the nature of the income sources.

According to the National Statistics Bureau (NSB), Bhutan's poverty rate in 2022 was 12.4%. This means that 12 out of every 100 people in Bhutan lived in households with a monthly per capita real expenditure below the upper-bound poverty line of Nu. 6,204.00.

The PAH responses indicate a total of 9 households falling below the poverty line in the past 2 years with 6 households in Mongar (3 in Tsamang and 3 in Tsakaling) and 3 in Tsenkhar, Lhuentse. Table 2-4 below indicates the Dzongkhag-specific details.

Among the 9 PAHs, 7 were female respondents and 2 males. 5 PAHs indicated that they fell below the poverty line in the past 2 years while they also had non-earning members in their households. 2 PAHs fell below the poverty line and were landless in the past 2 years while also having non-earning members in the family. The table and chart below represent the PAH data indicated above. The names of the PAHs have been restrained for anonymity.

Table 2-4: Numbers of PAHs below poverty line in the past 2 years

Dzongkhag	Gewog	Below PL (Last 2y)	Landless (Last 2y)	Non-earning Members in HH	Working Members Sick or Disabled	Migration of Aabled Members
Mongar	Tsamang	3	1	3	1	-
	Tsakaling	3	-	4	4	2
Lhuentse	Jarrey	-	-	-	1	-
	Tsenkhar	3	3	3	-	1

Dzongkhag	Gewog	Below PL (Last 2y)	Landless (Last 2y)	Non-earning Members in HH	Working Members - Sick or Disabled	Migration of Able Members
Total		9	4	10	6	3

### 2.2.5 Access to basic services

As per the survey data collected from the health centres, in Tsamang, the highest incidence of diseases in 2024 is diarrhoea and dysentery (200) followed closely by the common cold (191). Other diseases in high occurrence are musculo-skeletal disorders (135), skin infections (130), scabies (100) and work-related injuries (90). In Tsakaling, common cold has the highest incidence (792), musculo-skeletal disorders (316), eye disorders (210), skin infection (208), work-related injuries (151) and peptic ulcer (83). The population density of these places also needs to be considered in terms of the number of reported incidences. There was no data available for Tsenkhar (Lhuentse). The data suggests an indication of diet, hydration, cleanliness and weather-related illnesses.

**Health:** The responses from the PAHs show that 3 out of 50 indicate the health of their children as “Poor” while the majority (47) of respondents indicated their answers as “Good”. 2 respondents indicated the health status of women as “Poor” with overwhelming majority of 48 responded to this question with “Good”.

In terms of illness, fire, and other disasters 10 respondents indicated that access to emergency services was “Poor” and 40 respondents said that the access to emergency services was “Good”. 19 of these 40 respondents (17 female, 23 male) are from Lhuentse (Jarrey and Tsenkhar) and 21 are from Mongar (Banjar, Tsakaling and Tsamang). There is a Basic Health Unit in each of the Gewogs in both Dzongkhags except for Jarrey. Takhambi in Tsakaling is the only Chiwog that has a Sub-post.

**Education:** Within the project area, there are 2 central schools, at Gyelposhing and Autsho, a Lower Secondary School at Chhali while the rest are all Primary Schools (2 in Tsamang, 1 in Tsakaling, 1 in Saling and 1 in Tsenkhar) The Gyelposhing College of Information Technology recently moved its campus to Thimphu. Currently, Tsamang and Tsakaling primary schools are reaching their maximum capacity in terms of students’ number while other primary schools tend to be downgraded and close classes due to the shortage of students (e.g Chhali Primary School has been downgraded, Banjar School has been shut down).

Ganglapong has only 17 students and can accommodate over 100 students. Gyelposhing Higher Secondary School (HSS) has no Class XI this year due to shortage of students and is far below capacity as it can accommodate 780 students. The Autsho Central School and Gyelposhing HSS are also below capacity. Lingmethang MSS is already gearing up to cater to more students because of the projected demand from various other projects and offices.

86% of the 50 PAH respondents have all indicated having access to electricity: 84% responded as having improved access to health; 78% indicated having improved access to education services, 80% have piped water access with only respondent from Tsamang, Mongar indicating collection from spring and 10 indicating other sources. Considering that the majority of the PAHs have access to the above services and sources, accessibility is fair in terms of immediacy and availability.

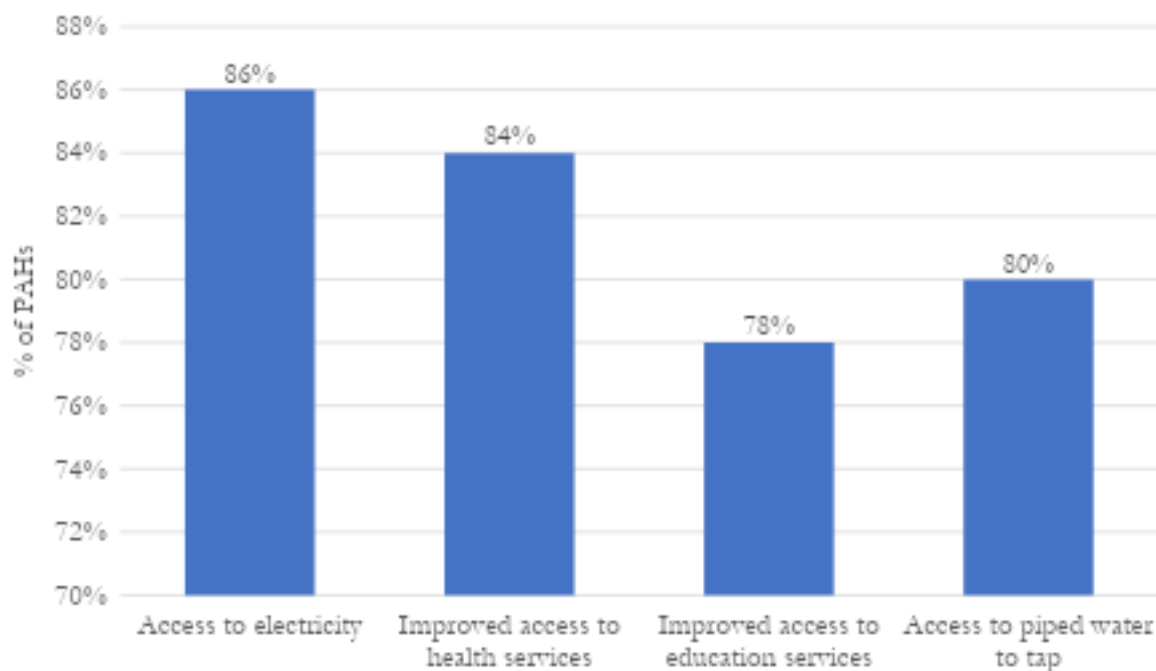


Figure 2-6: Access to basic services among respondents

## 2.2.6 Access to Credit and Saving

Of the 50 PAHs respondents, 11 have indicated availing loans for various reasons including 1 as business investments (a male from Tsenkhar, Lhuentse); 2 to purchase agricultural inputs (both female from Tsakaling/Mongar); 1 for the purchase of cattle (male from Mongar). 7 PAHs have indicated having availed loans for “Other” purposes ranging from house or hotel construction, vehicle purchase, purchase of poultry and fencing. Bank loans have been identified as the primary credit source among the PAHs.

Only 6 PAHs indicated that they had savings and the preferred place to keep the savings in the bank while a majority of 39 respondents indicated that they had no savings.

## 2.2.7 Community Dynamics – Gender, Ownership and Decision Making

Out of the 50 PAHs respondents, 29 respondents are female heads of households (FHH) with 8 FHH from Lhuentse (6 from Tsenkhar and 2 from Jarrey); and 21 FHH from Mongar (16 from Tsakaling and 5 from Tsamang). The responses indicate that a majority of 44% of the decision making related to expenses (education, food purchase, clothing, bill payments, household items, taxes etc.) lie with women, 32% with both and 22% with men while 2% of respondents did not provide answers to this question as indicated in the chart below.

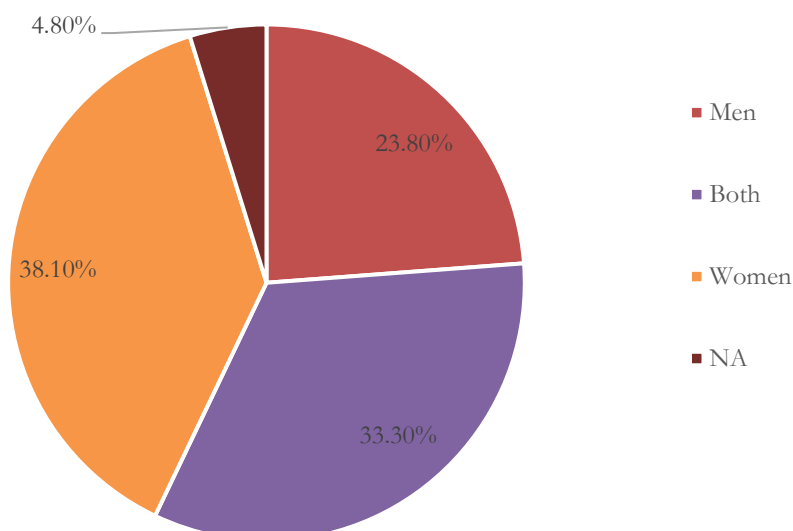


Figure 2-7: Decision making related to expense of the household

Ownership patterns reveal that a majority of women hold ownership of residential land (70%), agricultural land (66%), farm equipment (54%), livestock (62%), and structures (70%).

As per the assessment conducted for ESS7, there are no Indigenous Peoples in the affected area. However, the following socio-cultural groups are present among the 50 HH belonging to different groups as shown in Table 2-5.

Table 2-5: Different sociocultural group among the PAHs

SN	No. of affected HHs	Village/Gewog	Socio cultural group	Language
1	4	Tsamang	Mixed but mostly Kurmaedpas	Kurmaed-kha and Tsangla
2	19	Tsenkhar & Jarrey	Mixed groups of Kurmaed, Kheng, Sharchop and Lhotsampas	Kurmaed-kha, Khengkha, Tsangla, and Lhotsamkha
3	27	Tsakaling	Mixed but mostly Kurmaedpas	Kurmaed-kha and Tsangla

## 2.2.8 Community infrastructure

### Availability of education centers

Within the project area, there are two central schools, at Gyelposhing and Autsho, a Lower Secondary School at Chhali while the rest are all Primary Schools. The Gyelposhing College of Information Technology recently moved its campus to Thimphu.

Table 2-6: Education center statistics

Locality	Name of School	Students	Total students	Teachers (Male / Female)	Total Staff
<b>Tsamang</b>	Tsamang Primary School	44M, 53F	97	1M, 5F	6
	Ganglapong Primary School	6M, 12F	18	3M, 0F	3
<b>Tsakaling</b>	Tsakaling Primary School	37M, 57F	94	4M, 4F	8
<b>Mongar</b>	Gyelposhing Higher Secondary School	288M, 255F	543	30M, 14F	44
<b>Saling</b>	Lingmethang Primary School	195M, 221F	416	19M, 15F	34
	Saling Primary School	10M, 9F	19	2M, 1F	3
	Kalapang Primary School	16M, 17F	33	2M, 2F	4
	Thridangbi Primary School	19M, 36F	55	5M, 2F	7
<b>Chhali</b>	Chhali lower Secondary School	103M, 133F	236	12M, 8 F	20
<b>Tsenkhar</b>	Domkhar Primary School	16M, 9F	25	1M, 3F	6
	Autsho Central School	208M, 313F	521	22M, 17F	64

Source: Dzongkhag websites

Few observations can be made:

- Currently, Tsamang and Tsakaling primary schools are reaching their maximum capacity in terms of students' number while other primary schools tend to be downgraded and close classes due to the shortage of students (e.g Chhali PS has been downgraded, Banjar School has been shut down). Ganglapong has only 18 students and can accommodate over 100 students. Gyelposhing Higher Secondary School (HSS) has no Class XI this year due to shortage of students and is far below capacity as it can accommodate 780 students. The Autsho Central School and Gyelposhing Higher Secondary School are also below capacity.
- Lingmethang PS is already gearing up to cater to more students because of the projected demand from various other projects and offices.

## Health Centers

The following table summarizes the key-findings from the KII and Community mappings:



Gewog	Hospital	Basic Health Unit	Sub-post	Outreach Clinic	Disease and count
Chhali		Gewog centre (Garwaling)		Goenpa	Common Cold (987), Skin infection (456), Peptic Ulcer Syndrome (508), Other muscle-skeletal disorders (245), Diarrhoea and Dysentery (144), other eye disorders (224).
Drepong		Laptsa		Tshangkhar, Drepong & Zunglen	Dis. Of respiratory system (289), Dis. Of the other nervous including peripheral disorder (137), Dis of the Musculo- skeletal system (114), Dis. Of the skin and the subcutaneous tissue (106), other diseases of the digestive system (95), Dis. Of the eye and ear (95), Work related and other unknown injuries (77), Dis of the teeth and gums (47), Diarrhoea cases (Ao2+Ao3) (19), Bites and stings (13.)
Tsenkhar		3		6	

Source: Gewog website & NSB (2018)

## Transportation

Over the last year, the villagers had observed development in the field of transportation, with an increase of road traffic. The table below describes the road infrastructures in the villages.

Table 2-8: Description of road and trails by the communities

Location	Road infrastructure
Autsho	The main highway runs through Autsho settlement. The highway comes from Mongar and goes along to Lhuentse Dzong. This is the main highway and from this we can see roads which are branching down to different areas of outsource settlement. For example, there is a road going down to the Department of Road Office and Camp and also to the Automobile Workshop. There is also a feeder road coming down to the Forest Office, the Autsho Hospital and BHU and there is a road coming down to the school and the Autsho central school. <b>There is a road also going up to Namdroling Goenpa which is a significant place here and also to Chalibadeb village.</b>



Location	Road infrastructure
<b>Banjar</b>	The Gewog Centre, all-weather road runs mostly above the settlements and culminates at the Gewog Office. From this, some farm roads serve at least four settlements.
<b>Chhali</b>	The main road goes up from the National Highway which serves the several chiwogs and also at the gewog centre which is located at Chulibi chiwog.
<b>Drangmaling-Nangar</b>	There is a farm road which is aligned crossing the Meralungchu which connects Drangmaling and goes above Artochan and connects to the Gewog Centre Road which goes to Tsamang School and there is also a farm road which connects from the Gewog Centre Road to Nangar Community.
<b>Gyelposhing</b>	The main highway to Nganglam, and the highway proceeding to Mongar passes through the town. There is a diversion away from the town towards Nanglam.  Besides that, there are small approach roads going down to different areas such as the VIP colony, the Kurichu Hydropower office as well as the BPC colony and Royal Cottage. The settlement receives piped water from the Drepong and Tsangkhar sources.
<b>Lingmethang</b>	There is access roads diverted from the national highway to the Gewog Centre and BHU as well as to the other Government offices, the farm and agro-processing plant and the Park Office.
<b>Tokari</b>	The Gewog Centre (GC) all-weather road runs roughly through the middle of the community from which two farm roads, the Tokari farm road and the Banjar-Gangtho farm road branch out to serve villages in the eastern area of the community.
<b>Tsakaling</b>	There are a number of roads which are connecting each of these chiwogs. For example, from the Mongar-Lhuentse highway, the Gewog Centre Road cuts across mostly all chiwog serving the RNR Centre but going beyond to Drengling as well as Drungtoed chiwogs. The chiwogs therefore are well connected with the GC and farm roads connecting the hamlets.

## 2.2.9 Vulnerability assessment

The vulnerability analysis of PAHs has two objectives:

- Identify possible vulnerable households so that it is possible to propose additional compensation funds, in order to help in the resettlement process and to define priority criteria for access to the measures aimed to recompose the means of existence contained in this LALRP.
- To qualify the type of vulnerability, present in the region according to the origin of the factors that determined it. It is from this qualification that the type of restoration of the means of existence measures will be defined, precisely to face the factors that contributed to it.

The World Bank Team's Indigenous Peoples (IP) screening, conducted in September 2024, confirmed that there are no ethnic minorities among the project-affected population. Furthermore, no ethnic minorities were identified within the overall project area.

### 2.2.9.1 Definition of vulnerability

The vulnerability of a household can be defined as the potential for a household to be affected stronger than another household in a similar situation.

Vulnerability must be considered as the combination of i) intrinsic characteristics determining capacities of resilience and ii) the degree of exposure to negative impacts of the project, and to the resettlement process. Therefore, vulnerable households are more negatively affected by the project than other PAHs, and may not have the resources available to face and adapt to the changes brought by the project.

### Vulnerability factors

Vulnerable factors that qualify HH to be labelled as vulnerable HHs are:

- **Below Poverty Line (PL):** Households with monthly incomes under the Nationally determined poverty line of Nu. 6,204/. This is the nationally accepted criteria for vulnerability and suggests a significant risk of financial insecurity within the household.
- **Women led households:** Women can be considered as a vulnerable group. Women are generally excluded from local governance institutions, which may limit their ability to exercise their rights.
- **Disabled persons in the households (permanently disabled):** People with disability can be discriminated against and excluded from the local decision system.
- **Elderly (>65 years old) in the household:** Elderly are often reliant on support from other community members as well as on public retirement benefits. Some elders are sometimes victims of abuse, especially regarding financial resources.
- **Households with no or limited access to productive land (<1.0 acre):** Since agriculture represents the main source of income for most households, households with a limited access to land have difficulties generating a sufficient income.

#### 2.2.9.2 Vulnerability assessment

Three respondents met 4 out of 5 vulnerability categories, while nine met 3 out of 5. Sixteen respondents (primarily from Mongar: 8 in Tsakaling, 3 in Tsamang, and 4 in Tsenkhar, Lhuentse) fulfilled 2 out of 5 vulnerability categories. Additionally, 15 PAHs met at least 1 category, with the majority from Lhuentse (10 in Tsenkhar) and the rest from Mongar (5 in Tsakaling). The graphs below illustrate the percentages of vulnerable PAHs, based on the five vulnerability categories.

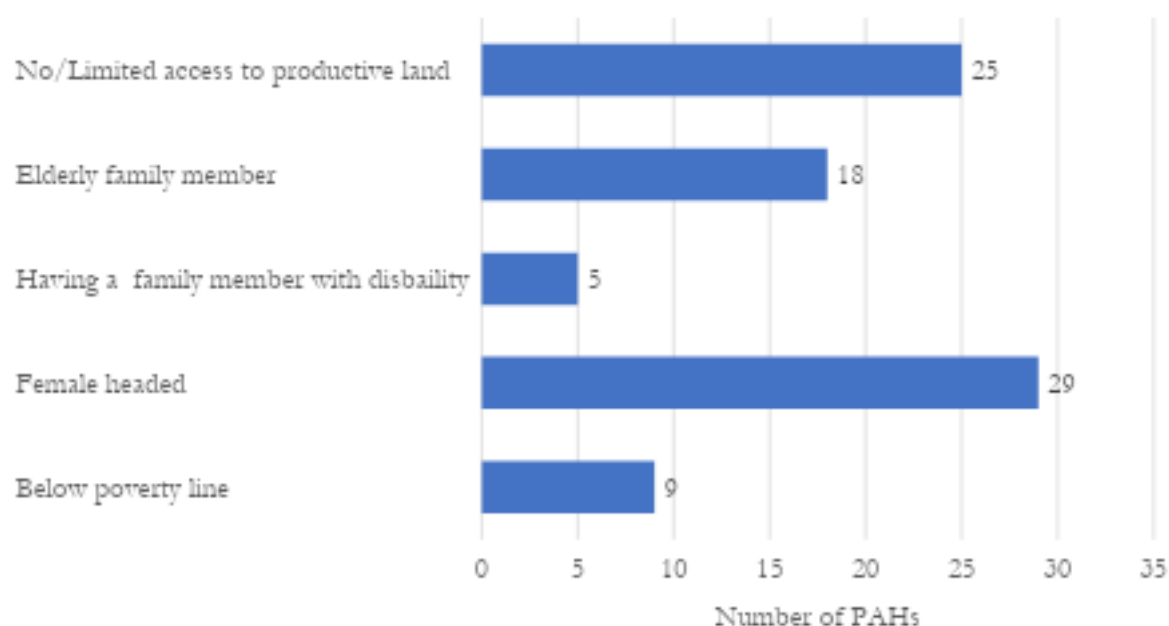


Figure 2-8: Distribution of vulnerable PAHS as per the vulnerability criteria

Out of the 50 PAHS, 43 PAHS fell within the vulnerability criteria as determined by the 5 factors indicated in the introduction of this section. Among them, 16 is located in Tsenkhar, 6 in Tsamang, 19 in Tsakaling and 2 in Jarrey.

The data captured by the HH survey indicates the various challenges faced by households highlighting particular vulnerabilities with a clear distinction between female and male-headed households. Concerning poverty, 8 female-headed households who in the last 2 years, saw their income fall below the poverty line defined as less than Nu. 6,204.00 per person per month. Only 1 male-headed households reported a similar decline in income.

Widowhood, which can often lead to economic and social vulnerability, was not experienced by any of 8 female-headed households who fell below poverty line. Similarly, becoming landless, another condition that can exacerbate hardship, was noted by 2 female-headed households.

Food insufficiency, a critical issue reflecting the inability to access adequate food, was reported in 2 female-headed households, indicating a level of food insecurity that could impact health and nutrition.

Out of these 2 PAHS, 1 indicated no specific reasons for food insufficiency while 1 indicated the insufficiency was due to crop failure and crop damage that year and did not specify what they did to avail food during the shortage. None of the two PAHS indicated sickness and disability or migration of able-bodied household members during the food insufficiency.

Lastly, the presence of disabled family members, which can lead to increased care responsibilities and economic strain, was reported in 4 female-headed households compared to male-headed households. This suggests that female-headed households may be more likely to bear the burden of care for disabled family members.

In summary, female-headed households are more frequently affected by several key indicators of vulnerability, including financial instability, widowhood, food insufficiency, and the presence of disabled

family members. This points to a need for targeted support and interventions to address the gendered disparities in vulnerability and to strengthen the resilience of female-headed households among the PAHs.

### **3 LEGAL AND INSTITUTIONAL FRAMEWORK**

#### **3.1 Introduction**

This section provides an overview of the Bhutanese regulations with respect to involuntary resettlement, an overview of Lender policies with respect to land acquisition and a gap analysis presenting how the Project Company will address differences between the Bhutanese regulations and Lender Policies.

Bhutan has well-developed laws and regulations as well as institutional arrangement and structures with respect to physical displacement, as well as valuation process and rates for compensation. Bhutanese law also regulates the long-term lease of land, which is an option for parts of the project.

#### **3.2 Overview of Bhutanese law and regulations on Land Acquisition**

This section outlines Bhutanese regulations on involuntary resettlement, World Bank policies, and how gaps between the two will be addressed in the project. Bhutan has well-established laws, regulations, and institutional arrangements for physical displacement and land valuation. The Land Act of 2007 is the central framework governing land acquisition and management in Bhutan, ensuring systematic and transparent processes.

Table 3-1 details the relevant national laws and their applicability and gaps between national law and international policy.

Table 3-1: Relevant national laws and international policies

Aspect / Issue	Bhutanese laws and regulations	International land acquisition, involuntary resettlement and livelihood restoration policies	Measures taken by the Project Company to Bridge Gaps Between Bhutanese law and international Standards
<b>Resettlement Planning</b>	<p>The Land Act 2007 is the primary legal instrument for Land Acquisition and Resettlement in Bhutan. It regulates ownership, sales, and the land acquisition by the RGoB when land is acquired.</p> <p>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.</p> <p>This act does not consider assessing socio-economy or vulnerability as a requirement during land acquisition. Where private land is impacted, the number of affected families must be identified.</p>	<p>Development of resettlement and land acquisition plan or framework obligatory for involuntary resettlement.</p> <p>The process includes public consultations and a socioeconomic census with gender disaggregated data and vulnerability assessment.</p> <p>Lenders require that measures are taken to address the needs of female-headed households and that both men and women can access compensation and assistance.</p>	<p>A LALRP has been prepared.</p> <p>based on consultation with affected persons, socio-economic surveys and consideration of vulnerability, particularly the inclusion of female-headed households and their access to compensation and assistance.</p>
<b>Displacement avoidance</b>	<p>The Land Acquisition and Compensation Rules and Regulations (LACRR), 2022, spearheaded by the Property Assessment &amp; Valuation Authority of the Ministry of Finance, RGOB state that private registered land shall be acquired only if unavoidable and can be acquired only once the substitute land is registered or cash compensation has been paid.</p>	<p>Actively seek to avoid displacement by exploring project and design alternatives and minimize adverse impacts.</p> <p>Where it is not possible to avoid or minimize all displacement impacts, identify mitigation measures.</p>	<p>The design team has selected the best alternative to avoid resettlement wherever possible, in order to minimize and mitigate adverse impacts.</p>
<b>Eligibility</b>	<p>The land Act 2007 only mentions legal title holders.</p>	<p>Lack of formal ownership does not preclude compensation to bona fide occupants or affected parties.</p>	<p>The Project is committed to compensate people whether or not they are formal land owners.</p>

Aspect / Issue	Bhutanese laws and regulations	International land acquisition, involuntary resettlement and livelihood restoration policies	Measures taken by the Project Company to Bridge Gaps Between Bhutanese law and international Standards
	<p>It is not specifically spelled out that the absence of formal land title to the land is a bar to compensation.</p> <p>Landless or people/farmers using state land without land ownership can be eligible for Kidu or Rehabilitation lands.</p>	<p>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.</p>	



<p><b>Compensation for land</b></p>	<p>Article 302 and 305 of the Land Act highlight that the acquisition for land shall entail a fair compensation or with a substitute land or by cash compensation. The valuation of land and property shall consider land category, its current use, location in relation to accessibility to vehicular road, immovable property, local market value, and other elements such as scenic beauty, cultural and historical factors.</p> <p>The compensation rate is fixed by the Property Assessment and Valuation Agency. Rate is revised every three years.</p> <p>The location of substitute land shall be in the order of preference of the same village, Gewog and Dzongkhag.</p> <p>Section 6 of the LACRR rule stipulates that “The private registered land under acquisition shall be taken over only after registering the land substitute or payment of cash compensation to the landowner”.</p> <p>Forest and Nature Conservation Act of Bhutan (2023)</p> <p>As per Section 102 of the FNCA (2023), the Royal Government shall exercise the right to implement and execute any developmental activity of national importance in the Community Forest. In the event the Community Forest area is taken over by the government, a fair compensation determined by the</p>	<p>Land-for-land to be preferred in land-based economies.</p> <p>Cash compensation is only acceptable if land for land is not feasible and if loss of land does not undermine the livelihoods of PAPs. In this case, the lack of land will be demonstrated and documented to the satisfaction of Lenders.</p> <p>Community assets to be compensated at community level.</p> <p>Cash compensation based on replacement cost and technical assistance and monitoring provided to ensure cash compensation is used appropriately and livelihood restoration is completed.</p> <p>In cases where affected persons reject compensation offers that meet Lenders’ requirements and, as a result, expropriation or other legal procedures are initiated, the Project owner will explore opportunities to cooperate with the responsible government authority, and if permitted by the authority, play an active role in the resettlement planning, implementation and monitoring.</p> <p>Timing of compensation: The Project owner should promptly compensate economically displaced persons for loss of assets or access to assets. This process should be initiated prior to displacement. Where compensation is to be paid by a responsible government agency, the client</p>	<ul style="list-style-type: none"> <li>- Options for compensation presented to PAPs wherever practical.</li> <li>- No community assets are acquired (road realignment is treated separately).</li> <li>- Cash compensation agreements are based on replacement cost.</li> </ul> <p>In land – for - land compensation, PAPs will not be required to pay for any registration/transaction cost</p> <p>LALRP will be implemented, i.e. compensation will be paid and resettlement will be completed, prior to handover of assets and prior to any works commencing in affected areas.</p>
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	<p>Department may be paid to the Community Forest Management Group. The compensation rate will be determined by DoFPS.</p>	<p>should collaborate with the agency to help accelerate the payment.</p>	
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Aspect / Issue	Bhutanese laws and regulations	International land acquisition, involuntary resettlement and livelihood restoration policies	Measures taken by the Project Company to Bridge Gaps Between Bhutanese law and international Standards
<b>Complaints and grievances</b>	No specific policy.	<p>There must be an independent objective appeal mechanism that is open to the public and reported openly.</p> <p>The proponent should establish a grievance mechanism as early as possible in the process to receive/ address in a timely manner the concerns related to physical/ economic displacement.</p> <p>Provisions for PAPs to have access to legal assistance should be made.</p> <p>Loss of Public Amenities: Where a project involves the loss of public amenities, the proponent shall undertake meaningful consultation with the locally affected community to identify and, where possible, agree upon a suitable alternative.</p>	DGPC will institute a grievance redress mechanism that is both transparent and accessible for PAPs, to be utilized throughout the process of land acquisition. In circumstances where PAPs decline the offered compensation and RGoB invokes eminent domain to expropriate the property, the Project Owner will collaborate with the Government to implement measures that align with the ESS5 standards of the World Bank, thereby bridging any existing gaps between national and WB requirements. These measures will include criteria on voluntary transactions, land donations, forced eviction and eminent domain, as well as a definition of replacement cost, including where inflation exists. DGPC will assume a proactive role in the execution of these supplemental measures, working towards a consensus with RGoB.
<b>Arrangements for land acquisition</b>	<p>The landowner can choose for substitute land or cash compensation.</p> <p>According to the Land Act of Bhutan 2007, local government authorities must inform landowners of the intent to acquire their land at least 120 days in advance.</p> <p>The landowner shall have no choice over the location of substitute land provided by the government.</p>	<p>All affected and impacted people must be consulted prior to agreements.</p> <p>Compensation must be agreed prior to handover of assets and prior to civil works commencing in the affected area.</p>	<p>All impacted people will be consulted prior to agreements.</p> <p>LALRP will be implemented, i.e. compensation will be paid and resettlement will be completed, prior to handover of assets and prior to any works commencing in affected areas.</p>

Aspect / Issue	Bhutanese laws and regulations	International land acquisition, involuntary resettlement and livelihood restoration policies	Measures taken by the Project Company to Bridge Gaps Between Bhutanese law and international Standards
<b>Livelihood restoration</b>	<p>While poor and vulnerable groups are not excluded there are no provisions directly relating to these groups and in particular towards improving the standards of living.</p> <p>It is noted that there is a provision for granting of rehabilitation land to landless households.</p> <p>This is however not specific to land acquisition / livelihood restoration.</p>	<p>Requires that affected people be in equal or better socioeconomic condition as a result of the project activities.</p> <p>Displaced communities should be provided with opportunities to derive development benefits from the Project.</p> <p>Offsetting Assistance Loss of Community Held Resources: aid that will offset any loss of a community's commonly held resources. This could take the form of initiatives that enhance the productivity of the remaining resources to which the community has access, in-kind or cash compensation for loss of access or provision of access to alternative sources of the lost resource.</p>	<ul style="list-style-type: none"> <li>- Households significantly affected by the Project will benefit from:</li> <li>- Preferential hiring and skills training.</li> <li>- Assistance for management of received financial compensation.</li> <li>- Support to improve existing economic activities.</li> <li>- Support for initiatives to develop alternative sources of income.</li> <li>- Assistance for legalisation of land ownership</li> </ul> <p>Households severely impacted by the Project will benefit from livelihood restoration initiatives.</p>
<b>Livelihood restoration mitigation/ monitoring</b>	No specific policy.	Proper monitoring, evaluation and reporting of livelihood restoration mitigation measures are required.	Livelihood restoration will be monitored during Project implementation via internal monitoring and resettlement completion audits, to ensure that affected persons are no worse off than before land acquisition.
<b>Vulnerable people</b>	<p>While poor and vulnerable groups are not excluded there are no provisions directly relating to these groups and in particular towards improving the standards of living.</p> <p>The Royal social welfare program provides Kidu and rehabilitation lands to those who used state land without</p>	<p>Vulnerable people who warrant specific assistance must be identified and supported throughout the resettlement compensation process.</p> <p>Lenders require that measures are provided to enable poor and vulnerable people (including women) who are physically displaced or affected by economic</p>	The criteria for assessing vulnerability (section 2.2.9) will be used to ensure that such persons will be supported throughout the resettlement process.

Aspect / Issue	Bhutanese laws and regulations	International land acquisition, involuntary resettlement and livelihood restoration policies	Measures taken by the Project Company to Bridge Gaps Between Bhutanese law and international Standards
	<p>owning any land, to landless, to marginal farmers whose lands have been destroyed by natural calamities, and are prone to ecological risks.</p> <p>This is however not specific to land acquisition / livelihood restoration.</p>	<p>displacement to improve their incomes to at least national minimum standards.</p>	
<b>Public consultation and disclosure</b>	<p>No specific policy.</p>	<p>Public consultation and participation of affected people required throughout the project process from planning through implementation, including public notifications of activities and consideration of the needs of vulnerable groups.</p> <p>Resettlement documentation should be disclosed.</p>	<p>Consultation with key stakeholders and PAPs regarding resettlement aims for a participatory approach to promote better and timely implementation of key processes such as valuation and relocation.</p> <p>Vulnerable groups were considered in the implementation of consultation activities.</p> <p>Resettlement documentation will be disclosed.</p>
<b>Monitoring and evaluation</b>	<p>According to the LLRR 2022 the Dzongkhag Land Sector and the DoLAM shall monitor the surrendered registered land reverted to State Land.</p> <p>The DLEC ensures compliance with the Law and ensures land valuation is based on the prevailing compensation rates.</p> <p>The Joint Monitoring Team examines and evaluates the land exchange processes.</p>	<p>Monitoring and evaluation to be clearly defined in the resettlement planning instrument.</p> <p>Monitoring and evaluation to confirm attainment of equal or better conditions than pre-project or recommend measures to attain those conditions.</p> <p>External monitoring for projects classified as high social risk, such as the Dorjilung HPP, is required.</p>	<p>Livelihood restoration and resettlement activities will be monitored during Project implementation via internal and independent monitoring and resettlement completion audits (both internal and independent).</p>

### 3.3 Institutional arrangements and functions for Land

In the context of Dzongkhags, a comprehensive resettlement process necessitates structured collaboration with a diverse set of entities and institutional frameworks. It is critical to initiate formal consultations with central government agencies, encompassing relevant parent ministries and regional offices. These central agencies hold pivotal roles in policy development, decision-making, and ensuring regulatory adherence, whilst actively delineating future strategies, allocating requisite budgets, and overseeing the proficient implementation of activities across various Dzongkhags.

#### 3.3.1 Key Agencies

Key agencies that are integral to this collaborative process include:

##### Ministry of Home Affairs (MoHA)

- Department of Local Governance and Disaster Management (DLGDM)
- Department of Culture and Dzongkha Development (DoCDD)

##### Autonomous Bodies and Corporations

- National Land Commission (NLC)

#### 3.3.2 Main Functions in relation to Land

Bhutan's approach to land exchanges is anchored by the National Land Commission (NLC), the apex body that sets overarching policies and ensures their alignment with the nation's priorities. Within or alongside the NLC operates the Land Management Division, which plays a central role in managing, implementing, and overseeing the specific processes related to land exchanges. This encompasses duties like assessment, verification, documentation, and even the logistical aspects of facilitating such exchanges.

Governmental departments and autonomous agencies have specific roles in land acquisition and resettlement. They coordinate with the proponent of the development that impacts the land for which the department or autonomous agency has use rights. This coordination involves joint investigations and surveys. Additionally, these entities work with the proponent and the National Land Commission to facilitate the transfer of land title for use rights from the department or agency to the proponent. This process ensures the legal conferment of the rights to use the land to the proponent. Lastly, these departments and agencies coordinate with the proponent for the removal of any properties on the land to make it accessible for the development. These actions are integral to the process of land acquisition and resettlement.

The land exchange mechanism also extends to more localized bodies like the Thromde (Municipal) and Dzongkhag (District) Land Committees. Their responsibilities revolve around executing and reviewing land exchange processes at the grassroots level, ensuring the procedures are in tune with the guidelines set by the NLC and managed by the Land Management Division.

A crucial component of this structure is the Joint Monitoring Team. This body is potentially tasked with the vigilant oversight of ensuring that land exchanges are executed correctly, transparently, and in the best interest of all involved parties. They monitor procedures, ensure compliance, address grievances, and act as a safeguard to ensure all actions are in line with established guidelines and policies. What's noteworthy is that this team would likely comprise representatives from diverse stakeholder groups, providing balanced and comprehensive oversight, including a gender balanced representation.

In terms of function, the NLC and the Land Management Division are at the forefront of reviewing land exchange proposals. The Division takes a hands-on approach, delving into the specifics, verifying land titles, boundaries, and ensuring that such exchanges are both equitable and in harmony with local land use plans. Disputes, an inevitable part of any land transaction, might find resolution through the Joint Monitoring Team, backed by the Land Management Division, ensuring fairness and adherence to the rulebook.

Documentation is another critical aspect. The Land Management Division ensures that all records are accurately maintained and updated to reflect any changes following a land exchange. Moreover, the Division, possibly supported by local committees, takes on the responsibility of public outreach, ensuring communities are informed and consulted where necessary.

Finally, the Division coordinates with other governmental departments, particularly when land exchanges intersect with broader public projects or developmental goals. All these measures, protocols, and structures underscore the country's commitment to transparency, equity, and adherence to its broader developmental and conservation objectives, especially during a resettlement process.

The main functions of these institutions are:

- The National Land Commission Secretariat
  - Recommend or defer or reject land exchange proposal, and submit to the competent authority for approval.
  - Maintain an updated and reliable inventory of alienable land in the country.
- Land Management Division (LMD), Department of Land Administration Management (DoLAM)
  - Review, scrutinize, and recommend the land exchange cases and the State Land proposed by the Dzongkhag to the Secretariat.
  - Communicate the approved land exchange cases to the concerned Ministry.
  - Institute and Coordinate the Joint Monitoring Team for annual monitoring, compile and submit the monitoring report to the Secretariat and relevant agency.
  - Maintain an up-to-date inventory of the surrendered registered land with cadastral map for future reference.
- Dzongkhag Land Exchange Committee (DLEC)
  - The DLEC shall constitute all relevant stakeholders at the Dzongkhag level such as the Dzongkhag sectors namely Forestry, Agriculture, Livestock, Land Records, Survey, Planning and respective sectors who are the proponents and have representation (offices) at the Dzongkhag level.
  - Conduct field verification and recommend or reject, both the surrendered registered land and the SL proposed for exchange.
  - Ensure that the affected surrendered land is following the eligibility criteria.
  - Undertake a feasibility study of the SL identified for exchange.
  - Ensure compliance with the environmental laws.
  - Obtain forestry clearance.
  - Ensure the land valuation of the surrendered registered land and the SL proposed for exchange are based on the prevailing Compensation Rates fixed by the Property Assessment and Valuation Agency (PAVA).
- The Dzongkhag Land Sector shall:



- Receive land exchange applications from the Gewog.
- Ensure that the registered land proposed for exchange is free of any encumbrances.
- Coordinate field verification involving DLEC and submit the detailed report to NLCS containing the following items:
  - Land Exchange Form 1 & 2
  - Survey report (including Shapefile) for partially affected plots.
  - Survey report (including Shapefile) for the identified State Land in exchange.
  - Clearances from the relevant agencies; and
  - Photographic evidence (Close and Far view).
  - Survey and demarcate the proposed SL.
  - Maintain an updated inventory of the alienable land in the Dzongkhag; and
  - Monitor the surrendered private registered land reverted to SL.
- Gewog Administration
  - Designate a focal person for land exchange.
  - Ensure the land exchange application is genuine and in consonance with the provisions of these Rules and Regulations; and
  - Review and verify whether the application fulfil the requirements prescribed in Form LE-1.
- Joint Monitoring Team
  - Conduct annual monitoring of the surrendered registered land,
  - Examine and evaluate the land exchange processes and its adherence to the provision stipulated in these Rules; and
  - Submit an annual monitoring report to the Secretariat and the concerned Ministry.

### 3.4 Institutional arrangement for land Transactions

The process of land leasing and land acquisition in Bhutan operates within specific institutional frameworks that cater to the distinct nature of both transactions. While the broad principles of transparency, fairness, and alignment with national objectives apply to both, the intricacies of leasing versus acquisition are reflected in specific institutional arrangements.

#### 3.4.1 Leasing

The following arrangements govern land leasing:

- **NLC** sets policies regarding land leasing, ensuring it aligns with national priorities.
- **LMD** is often more deeply involved in managing leases, verifying land details, supervising the leasing logistics, and ensuring that leasing adheres to established guidelines.
- **Thromde (Municipal) and Dzongkhag (District) Land Committees (DLLC and TLLC)** would be responsible for reviewing leasing applications at the local level, ensuring they align with local land-use plans.
- **JMT** ensures leasing processes are transparent and equitable, addressing potential grievances related to the lease.

#### 3.4.2 Acquisition

The following arrangements govern land acquisition:

- **NLC** has a pronounced role in ensuring that land acquisition is consistent with national land management and distribution objectives.
- **LMD** might focus on verifying land titles, ensuring smooth land transfers, and managing the documentation process for purchases.
- **DLLC and TLLC** could be involved in reviewing and approving land sales at a local level.
- While a **JMT** could be involved, its role might differ, focusing more on ensuring proper transfer of land titles and addressing disputes related to acquisition rather than lease agreements.

In accordance with Section 185 of the Act, there shall be DLLC in Dzongkhags, TLLC in Thromdes and the Committees relevant in concerned Department or Agency. The DLLC shall constitute of:

- Dzongdag as the Chairperson (Dzongrab in absence of Dzongdag).
- Dzongkhag Land Registrar as Member Secretary.
- Chief Forestry Officer (Territorial or Park) of the area concerned.
- Dzongkhag Environment Officer.
- Gup of the concerned Gewog.
- Dzongkhag Livestock Officer (For relevant activity).
- Dzongkhag Agriculture Officer (For relevant activity).
- District Engineer (For relevant activity); and
- Any additional member as and when deemed necessary by the Committee.

The concerned Department or Agency shall have their own Committees constituted with the following responsibilities:

- Department of Forests and Park Services, MoAF: Issuance of Forestry Clearance.
- Department of Industry, MoEA: Issuance of Letter of Interest.
- 

### 3.5 Lender policy requirements

Project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. Experience and research indicate that physical and economic displacement, if unmitigated, may give rise to severe economic, social and environmental risks.

**The Environmental and Social Standard on Land Acquisition, Restrictions on Land Use and Involuntary Resettlement (ESS5) of the World Bank**, requires Borrowers to:

- Avoid or minimize involuntary resettlement by exploring project design alternatives.
- Avoid forced eviction.
- Mitigate unavoidable adverse impacts from land acquisition or restrictions on land use through timely compensation for loss of assets at replacement cost and assisting displaced persons in their efforts to improve, or at least restore, livelihoods and living standards, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.
- Improve living conditions of poor or vulnerable persons who are physically displaced, through provision of adequate housing, access to services and facilities, and security of tenure.
- Conceive and execute resettlement activities as sustainable development programs, providing sufficient investment resources to enable displaced persons to benefit directly from the project, as the nature of the project may warrant.
- Ensure that resettlement activities are planned and implemented with appropriate disclosure of information, meaningful consultation, and informed participation.

ESS5 includes situations where a project makes land physically unusable or inaccessible, even when there is no land acquisition. It covers restrictions on access to communal property and natural resources, including marine and aquatic, timber, freshwater, hunting and gathering ground, grazing and cropping areas. It contains criteria on voluntary transactions, land donations, forced eviction and eminent domain; as well as a definition of replacement cost, including where inflation exists.

It includes provisions to protect and support women, including documentation, training, access to credit and jobs.

### **The ESS5 Requirements:**

- Eligibility of affected persons must be respected: three categories of affected persons are eligible for coverage under ESS5. Affected persons may be classified as persons:
  - (a) Who have formal legal rights to land or assets;
  - (b) Who do not have formal legal rights to land or assets, but have a claim to land or assets that is recognized or recognizable under national law; or
  - (c) Who have no recognizable legal right or claim to the land or assets they occupy or use.

The survey has identified the persons who will be affected by the project, their status and established an inventory of lands and assets to be affected.

- The project design minimises involuntary land acquisition or restrictions on land use: The Borrower has to demonstrate that involuntary land acquisition or restrictions on land use are limited to direct project requirements for clearly specified project purposes within a clearly specified period of time. The Borrower will consider feasible alternative project designs to avoid or minimize land acquisition or restrictions on land use, especially where this would result in physical or economic displacement, while balancing environmental, social, and financial costs and benefits, and paying particular attention to gender impacts and impacts on the poor and vulnerable.
- Compensation and benefits for affected Persons: When land acquisition or restrictions on land use (whether permanent or temporary) cannot be avoided, the Borrower will offer affected persons compensation at replacement cost, and other assistance as may be necessary to help them improve or at least restore their standards of living or livelihoods.
  - o Compensation for lost assets is calculated at replacement cost. The process used for determining compensation values should be transparent and easily comprehensible to project-affected persons.
  - o Compensation standards for categories of land and fixed assets will be disclosed and applied consistently.
  - o Where livelihoods of displaced persons are land-based, or where land is collectively owned, the Borrower will offer the displaced persons an option for replacement land.
  - o The Borrower will take possession of acquired land and related assets only after compensation in accordance with ESS5 has been made available and, where applicable, displaced people have been resettled and moving allowances have been provided to the displaced persons in addition to compensation. In addition, livelihood restoration and improvement programs will commence in a timely fashion to ensure that affected persons are sufficiently prepared to take advantage of alternative livelihood opportunities as the need to do so arises.
- Community engagement:
  - o Both the affected communities and host communities have been and will continue to be engaged.

- o Decision-making processes related to resettlement and livelihood restoration will include options and alternatives from which affected persons may choose.
  - o Disclosure of relevant information and meaningful participation throughout the project design, the planning, implementation, monitoring, and evaluation of the compensation process, livelihood restoration activities, and relocation process.
  - o Affected disadvantaged or vulnerable individuals or groups will have a voice in consultation and during planning processes, women's perspectives will be sought.
  - o The consultation process is and will continue to be documented.
- Grievance mechanism:
- o A grievance mechanism for the project will be instituted, in accordance with ESS10 to address specific concerns about compensation, relocation, or livelihood restoration measures raised by displaced persons (or others) in a timely fashion, utilizing existing formal or informal grievance mechanisms suitable for project purposes, supplemented as needed with project-specific arrangements designed to resolve disputes in an impartial manner.

## 4 ELIGIBILITY AND ENTITLEMENTS

This section summarizes the guiding principles and strategies for resettlement, including the standard measures allocated to PAHs based on their type of displacement. The Eligibility and Entitlement Matrix is shown in Table 4-1.

### 4.1 General Principles

The resettlement and rehabilitation support available to PAHs, dependent on whether they are categorized as physically or economically displaced is shown in section 4.3. The specific details of compensation and restoration for each PAH will be tailored to meet both the situational requirements and individual preferences of the affected households. Typically, each PAH is eligible to receive compensation, either monetary or in-kind, for any lost assets, along with additional support necessary to ensure the resettlement process adheres to the ESS 5 principles previously discussed.

#### 4.1.1 Eligibility

##### 4.1.1.1 Categories of PAHs

As described in the World Bank ESF ESS5 defines 3 categories of people eligible to compensation and/or livelihood restoration measures:

- Persons with formal legal rights to land lost in its entirety or in part. In Bhutan this includes juristic persons falling under one or more of the following broad categories of registered landowners: Institution of Monarchy, individual person, family land, joint owners, government institutions, Gerab Dratshang, religious institutions, Civil Society Organizations (CSOs), corporations, community for social and religious purposes.
- Persons who lost the land they occupy or use in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws.
- Persons who lost the land they occupy in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land.

The following principles apply:

- Persons in the first two categories receive compensation for land loss to the benefit of the Project.
- Persons in the last category receive resettlement aid to enable them to return to living conditions similar to those they enjoyed before the Project.
- Persons settling in the affected area after the cut-off date will not receive compensation and will have no right to any form of resettlement aid.

Among the 3 eligible categories we can identify:

- **Project Affected People:** They 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 not (as described above), 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 Rehabilitation purposes, affected persons will be considered as members of affected households.

- **Tenants:** They are those persons having bona fide tenancy agreements, written or unwritten, with a private property owner with clear property titles to occupy a structure or land for residence, business or other purposes. They are eligible for certain compensation or assistance as per the existing norms and practice.
- **Vulnerable Group:** Distinct groups of people who are socially distressed or economically backward and who might suffer disproportionately from Rehabilitation effects. These groups are analyzed in the ESIA and will deserve specific attention.

These commonly include but are not limited to the following: women headed households who are poor, households living below the national poverty line, marginal landowners, landless or very small land holding (<1.0 acres), agricultural labourers, and the disabled and elderly.

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

#### 4.1.1.2 Compensation for restricted land use

Households losing land to the transmission line towers will face some restrictions on their land use owing to the transmission tower footing on their land and the overhead transmission line that will pass through their land. Due to this, they will not be able to make optimal use of their land whether for agricultural or dwelling purposes. To compensate them for the restriction of land use, an entitlement of 20 percent of the total cost of the impacted land will be paid (at 1.2 times PAVA) as compensation for restricted land use.

#### 4.1.2 Cut-Off date

Eligibility for the measures and compensations outlined in this document is based on a cut-off date set at the completion of the community consultation in November 2024. The cut-off date, which is the notification to the PAPs in accordance with the Para 4.10 and 20 of ESS5, was established on November 26, 2024. This cut-off date was formally communicated after the final assessment and inventory of all sites. This important date was publicly announced and explained to the local community to ensure transparency and it was also shared in written form and posted on the Gewog notice boards that are accessible to all community members.

### 4.2 Eligibility and entitlement matrix

This Entitlement Matrix outlines the benefits, compensations, and assistance that affected persons are eligible to receive according to their type of loss and legal status. This matrix is developed according to the World Bank's Environmental and Social Framework (ESF), particularly with respect to involuntary resettlement and land acquisition, following the principles laid out in ESS5 of the ESF. The project will impact land, structures, and livelihoods in various administrative divisions ("Gewog") and aims to ensure that PAPs receive fair compensation and support to restore their livelihoods.

Table 4-1: Eligibility and Entitlement Matrix

Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
Permanent land acquisition of any type of land.	<ul style="list-style-type: none"> <li>Registered landowners.</li> <li>Legal titleholders, recognized customary landowners, or those with formal land-use rights.</li> <li>Persons or communities with formal legal rights to land lost in its entirety or in part.</li> <li>Persons or communities who lost the land they occupy or use in its entirety or in part and <b>do not have</b> the formal legal rights to such land, but have claims to such lands that are recognized or recognizable under national laws.</li> </ul>	<p>Two primary compensation options are proposed for those who will lose their land, and each PAH is entitled to choose either of these options or the third option to choose a combination of cash and land for land compensation.</p> <p><b>1. Option 1 – In-kind:</b></p> <ul style="list-style-type: none"> <li>Replacement land with security of tenure and at least the same or better quality in terms of commercial value of the compensated land, access to road, water/irrigation, and electricity, among others.</li> <li>For those opting for replacement land, the Project will offer three different land options and priority will be given to provide the replacement land first from the same village, then from the same Gewog and the same Dzongkhag. The land to be offered will have quality and features mentioned above.</li> <li>If the land to be acquired is the only plot owned by the landowner in the Thromde, then the landowner shall be entitled to land substitute from the same Thromde. (subject to land availability)</li> </ul> <p><b>2. Option 2 – Cash Compensation:</b></p> <ul style="list-style-type: none"> <li>Cash compensation based on replacement cost principle, which is the summation of the market rate (value estimated at 1.2 times the PAVA as an equivalent of market rate as a special dispensation only for DHPP) of the impacted land and all applicable transaction costs (applicable tax, Title transfer/registration fee, lawyers fee, and notary public fee, among others)</li> <li>If the affected land is less than 10 decimals<sup>8</sup>, the affected party shall only be eligible for cash compensation and not land for land compensation.</li> </ul>	In case PAPs prefer cash compensation, DGPC will pay 20% more on PAVA rate as a special dispensation, specific only for DHPP. All transactional cost will be added over and above the land rates determined.

<sup>8</sup>In Bhutan, a land decimal is equivalent to 48.4 square yards or 435.6 square feet (40.47 m<sup>2</sup>), representing one-hundredth of an acre.



Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
		<ul style="list-style-type: none"> <li>• Training on financial management to minimize the risk of misuse of cash</li> <li>• Recovery of any salvageable material from the land</li> </ul> <p><b>3. Option 3 – Combination of in-kind and cash compensation</b></p> <ul style="list-style-type: none"> <li>• Total value of compensation, combination of land or cash compensation, will be proportionate to the value of the acquired land.</li> <li>• Replacement land offered under the option will have security of tenure and at least the same or better quality in terms of commercial value of the compensated land, access to road, water/irrigation, and electricity, among others.</li> <li>• Training on financial management to minimize the risk of misuse of cash.</li> <li>• Recovery of any salvageable material from the land.</li> <li>• Upon acquisition, if the remaining land parcel is less than 10 decimals, such land shall also be acquired by paying cash compensation as per the replacement cost principle.</li> <li>• The proportion of cash and in-kind compensation will be as per the affected individual's choice but will be guided by the individual's total land holding and existing rules and regulations.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Leasehold/tenants: They are those persons having bona fide tenancy agreements, written or unwritten, with a private property owner with clear property titles to occupy a structure or land for residence, business or other purposes</li> </ul>	<ul style="list-style-type: none"> <li>• Transition allowance to compensate for the lost time to generate business or agricultural income while alternate location is not established</li> <li>• One-time Lump sum cash grant based on their monthly income times the duration that will take them to re-establish at the new place.</li> </ul>	<p>An auto mobile workshop owner has leased two plots of land that is going to be affected by the submergence.</p> <p>The physically displaced PAH is also eligible for this one-time allowance.</p>

Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
Temporary land acquisition of any type of land.	<ul style="list-style-type: none"> <li>Legal titleholders, recognized customary landowners, or those with formal land-use rights</li> <li>Persons or communities with formal legal rights to land lost in its entirety or in part.</li> <li>Persons or communities who lost the land they occupy or use in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands that are recognized or recognizable under national laws.</li> </ul>	<ul style="list-style-type: none"> <li>The Project will negotiate with the landowner to take the land on lease through an agreement that will detail land use terms, duration, and rental fees based on current market rates.</li> <li>Land Restoration: Once the agreement is concluded, ensure the land is restored to its original or an improved state as per national standards, incorporating necessary soil conservation and rehabilitation measures.</li> <li>Compensation for Unusable Plots: If entire or parts of the land temporarily become unusable, the project will compensate the affected landowner, inclusive of any affected structures or crops in accordance with the principle of replacement cost.</li> </ul>	<p>DGPC through a lease agreement will determine the lease rate based on current market rates.</p> <p>Transactional cost will be added over and above the lease rates determined.</p>
	<ul style="list-style-type: none"> <li>Tenants: Those persons/firms having bona fide tenancy agreements, written or unwritten, with a private property owner with clear property titles to occupy a structure or land for residence, business or other purposes.</li> <li>Non-title holders or informal settlers</li> </ul>	<ul style="list-style-type: none"> <li>The Project will undertake an assessment to determine the compensation of the loss caused in accordance with the principle of replacement cost.</li> <li>In certain circumstances where determining compensation through an assessment remains challenging, the Project can negotiate and agree on compensation as per the principle of replacement cost.</li> <li>Land Restoration: Once the agreement concludes, ensure the land is restored to its original or an improved state as per national standards, incorporating necessary soil conservation and rehabilitation measures</li> </ul>	<p>There are no non-title holder/informal settlers on the affected plots.</p>

Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
Loss of structures, residential or commercial.	<ul style="list-style-type: none"> <li>Legal owners of the structures. Person or household with title to the land and building that they inhabit as <b>a main residence</b> (covering its dependencies: kitchen, latrine, shower house, chicken house, etc.).</li> <li>Tenants, lessees, or non-title holders.</li> </ul>	<p>Two compensation options are proposed. Each physically displaced household is entitled to choose either of these options.</p> <p><b>1. Option 1 – In-kind:</b></p> <ul style="list-style-type: none"> <li>Replacement of the impacted residential structure with no depreciation and of at least the same size and improved quality subject to minimum national standard on the replacement land provided by the Project and restoration of the utilities (electricity, water, telephone, internet connection, among others) available at the lost residential house.</li> <li>Rental allowance for the period between the loss of access to residential houses and moving into the replacement housing, if the replacement housing is not ready at the time of relocation.</li> <li>Food security allowance vulnerable displaced families for the period of six months at the rate not exceeding minimum national income (poverty line).</li> <li>Recovery of any salvageable material.</li> <li>Transportation allowance assistance to the movement of any personal belonging and salvageable goods/materials to the alternative residence.</li> </ul> <p><b>2. Option 2: Cash compensation in case of preference for self-relocation:</b></p> <ul style="list-style-type: none"> <li>Cash compensation based on replacement cost without depreciation principle plus all applicable transaction costs (applicable tax, Title transfer/registration fee, lawyers fee, and notary public fee, among others)</li> <li>Food security allowance to compensate for the loss of farm income for the period of six months at the rate not exceeding minimum national income (poverty line).</li> <li>Training on financial management to minimize the risk of misuse of cash.</li> </ul>	<p>Valuation of structures will be done by qualified and competent Dzongkhag engineers vetted by the DLAAC. Transition and transactional cost will be added to ensure replacement cost.</p> <p>Advance notice in writing to the displaced household will be provided at least 30 days before to vacate structures.</p> <p>Full compensation should be made before displacement.</p> <p>Compensation should ensure that affected persons can rebuild or replace lost assets at no cost to them.</p> <p>Tenants, lessee, or non-title holders are eligible only for cash compensation.</p>

Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
		<ul style="list-style-type: none"> <li>Recovery of any salvageable material.</li> <li>Transportation allowance: One-time moving allowance to transfer personal belongings and to cover the cost of moving of salvageable goods/materials to the alternative residence. This assistance will be based on actual cost of transportation</li> <li>One-time lump sum transitional allocation allowance worth 6 months times their monthly agricultural or business income of the tenant to relocate.</li> </ul>	
	<ul style="list-style-type: none"> <li>Person or household with title to the land and structure and the <b>structure dedicated to secondary residence</b>, agriculture storage or other purposes, etc.</li> <li>Tenants, lessees, or non-title holders.</li> </ul>	<p><b>Option 1 – In-kind:</b></p> <ul style="list-style-type: none"> <li>Replacement of the structure without depreciation and of at least the same size and improved quality subject to minimum national standard on the replacement land provided by the person and restoration of the utilities (electricity, water, telephone, internet connection, among others) available at the lost residential house.</li> <li>Moving allowance: One-time moving allowance to cover the cost of dismantling, packing, and moving of salvageable goods/materials to the alternative residence.</li> <li>Recovery of any salvageable material</li> </ul> <p><b>Option 2: Cash compensation in case of preference for self-relocation:</b></p> <ul style="list-style-type: none"> <li>Cash compensation based on replacement cost without any depreciation plus all applicable transaction costs (applicable tax, Title transfer/registration fee, lawyers fee, and notary public fee, among others).</li> <li>Training on financial management to minimize the risk of misuse of cash.</li> <li>Recovery of any salvageable material</li> </ul>	Tenants, lessees, or non-title holders are eligible only for cash compensation.

Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
		<p>Transportation allowance: One-time moving allowance to cover the moving of salvageable goods/materials to the alternative residence.</p> <ul style="list-style-type: none"> <li>One-time lump sum transitional allocation allowance worth 6 months times their monthly agricultural or business income of the tenant to relocate.</li> </ul>	
<p>Loss of livelihood due to economic displacement</p> <p>Loss of livelihood due to loss of business</p>	<ul style="list-style-type: none"> <li>Income sources of persons affected due to loss of productive assets.</li> <li>All affected persons (including farmers, business owners, employees, agricultural workers)</li> <li>Commercial outlets</li> </ul>	<ul style="list-style-type: none"> <li>Involvement in livelihood restoration activities, such as skills training, job placement</li> <li>Assistance in re-establishing businesses in new locations.</li> <li>Transition allowance equivalent to the income of 2 months from operation of shops or commercial units.</li> </ul>	<p>Skills training needs that generate income will be identified in consultation with the PAPs.</p> <p>Preference for local employment opportunities during project implementation.</p> <p>Prioritize local business relocation near existing client base to minimize disruption.</p> <p>Focus on restoring/preferred livelihood activities</p>
Loss of trees and standing crops	<ul style="list-style-type: none"> <li>All affected persons, including owners and tenants</li> </ul>	<ul style="list-style-type: none"> <li>Compensation of lost crops/trees at the replacement cost principle.</li> <li>Assistance to farmers for replanting.</li> <li>Cash compensation for loss of standing crops at current market prices.</li> <li>Assistance for initiating farming in new places</li> </ul>	DGPC will determine the valuation of the trees and crops lost. The valuation must adopt the principle of replacement cost.
Loss of Common Property Resources (community assets/public structures), such as schools, health centres,	<ul style="list-style-type: none"> <li>Community members and user groups using such public infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Replacement or restoration of the affected resource.</li> <li>Provision of alternate resources where feasible.</li> </ul>	In consultation with local communities' appropriate site for the relocation of such impacted assets will be determined.

Types of loss	Eligible entities and specific conditions (if relevant)	Entitlements and compensation	Remarks
temples/monasteries, water assets, playing or open fields, parks, among others.		<ul style="list-style-type: none"> <li>Relocation/replacement/reconstruction of impacted public infrastructure in the locations discussed and agreed with the local authorities and beneficiaries.</li> </ul>	
Temporary Loss of Access or Use (access to businesses, facilities, or utilities due to project work)	<ul style="list-style-type: none"> <li>All affected persons and households</li> </ul>	<ul style="list-style-type: none"> <li>Alternative access arrangements where feasible.</li> <li>Compensation for lost income due to restricted access.</li> <li>Support for transport.</li> </ul>	Advance notice for temporary loss of access. Compensation should be proportional to duration of impact.
Loss of institutional or service precinct/land	<ul style="list-style-type: none"> <li>Concerned institutions and agencies</li> </ul>	<ul style="list-style-type: none"> <li>Land valuation for Lhuentse Dzongkhag Throm and land valuation for Mongar Dzongkhag Throm.</li> <li>Transfer of ownership of land from one Government Institution to another or to Gerab Drashtang.</li> </ul>	
Loss of forest trees	<ul style="list-style-type: none"> <li>Individual or institutional owners of the impacted forest trees</li> </ul>	<ul style="list-style-type: none"> <li>Compensation for the trees at replacement value based on the RGoB valuation process and additional top-up if required.</li> </ul>	
Vulnerable Groups (e.g., elderly, disabled, women-headed households)	<ul style="list-style-type: none"> <li>Specially identified individuals and households</li> </ul>	<ul style="list-style-type: none"> <li>Additional support for housing, livelihoods, and other necessary assistance.</li> <li>Prioritization in employment opportunities.</li> </ul>	Tailor assistance to specific needs of the vulnerable groups. Monitoring of impacts and outcomes for such groups.
Restricted Land Use	<ul style="list-style-type: none"> <li>All affected persons and households by Construction Power Line</li> </ul>	<p><b>Cash Compensation:</b></p> <ul style="list-style-type: none"> <li>Cash compensation based on replacement cost principle, which is 20 % of the summation of the market rate (value estimated at 1.2 times the PAVA as an equivalent of market rate as a special dispensation only for DHPP) of the impacted land and all applicable transaction costs (applicable tax, Title transfer/registration fee, lawyers fee, and notary public fee, among others).</li> <li>Training on financial management to minimize the risk of misuse of cash</li> <li>Recovery of any salvageable material from the land, if any.</li> </ul>	As a compensation for restricted land use due to power line crossing over the land, 20 % of 1.2 times PAVA rate as a special dispensation, specific only for DHPP will be given. All transactional cost will be added over and above the land rates determined.

### 4.3 Additional support for the PAHs

#### 4.3.1 Assistance for the physically displaced household

- **House Construction:** The project will build a house with similar design and properties at a substitute land within six months after the reallocation.
- **Food security, transportation, and rental allowances:** According to the Bhutan Living Standard Survey Report 2022, the average monthly per capita food consumption expenditure was Nu. 6,902.00. Considering the food inflation rate of 3.78 % as of September 2024, this amount is estimated to have increased to Nu. 7,163.00 and the same will be provided as food security allowance to the PAHs. Transportation allowances will be reimbursed based on actual expenses, with displaced individuals required to submit bills or invoices for verification before payment. A rental allowance of Nu. 7,000.00 per month will be provided for a duration of six months.
- **Salvage of Materials** (residential & productive assets)
- **Land Transaction Assistance:** These include a 3 % tax on the total cost of the land; Nu. 2,392.60 per decimal for Chhuzhing plots, Nu. 1,794.45 per decimal for Kamzhing plots as land development cost; a rural land transaction fee of Nu. 400.00; a Lag-Thram issuance fee of Nu. 50 per plot; and an estimated legal fee of Nu. 5,000.00 per Project Affected Household (PAH).
- **Transition Allowance:** This allowance is to re-establish any current set-ups in an alternate location. The allowance will be paid based on the monthly agriculture income of the physically displaced PAHs for 6 months.

#### 4.3.2 Assistance for the economically displaced households

- **Food Security Allowance:** According to the Bhutan Living Standard Survey Report 2022, the average monthly per capita food consumption expenditure was Nu. 6,902.00. Considering the food inflation rate of 3.78% as of September 2024, this amount is estimated to have increased to Nu. 7,163.00 and the same will be provided as food security allowance to the PAHs.
- **Transportation allowance:** Transportation allowances will be reimbursed based on actual expenses, with economically displaced individuals with structures on their land being required to submit bills or invoices for verification before payment.
- **Transition Allowance** (applicable to the land lease holder): This allowance is to re-establish any current set-ups in an alternate location. The lumpsum amount will be based on the income of the economically displaced PAHs having business on the affected land.
- Participation in **Livelihoods Programming**
- **Community Assets Restoration Programming**

#### 4.3.3 Assistance for affected vulnerable HHs

Of the 50 interviewees who have plots affected by the Project, 43 declared that they had at least experienced one of the 5 sources of vulnerability assessed in the household census in the last 2 years. Of these 43, 15 had only one source, 16 had two sources, 9 had three sources and 3 had four sources.

The LRP includes targeted measures for these vulnerable households, **which includes a one-time vulnerability entitlement allowance equaling 3 months national wage rate.** This allowance is coupled with **basic financial literacy training** to help HHs manage the funds wisely. The support aims to help vulnerable HHs cope with land acquisition and resettlement impacts, ensuring they are not disproportionately affected



Aside from the additional supports mentioned above, if the affected household is vulnerable as per section 2.2.9, the household will be beneficiaries of to the following:

- o **AVH Programming**
- o **Vulnerability Allowance:** This allowance will be as one-time lumpsum amount equivalent to 3 months times the Minimum National Wage Rate of November 2023 fixed at December 2024 using average inflation rate of 3.13 %<sup>9</sup>. The new value comes at Nu. 412.52/day against the old rate of Nu. 400.00/day.<sup>10</sup>
- o **Priority Access to Livelihoods Programming**

#### 4.4 Approach to valuation

This section describes the methodology followed to determine compensation rates for asset losses. This section only addresses the valuation of lost assets.

##### 4.4.1 Asset data collection for valuation

The loss identification process has gone through a number of stages:

- Announcement of cut-off date.
- Survey of affected populations and property.
- Identification of populations concerned.
- Accurate survey of affected property.
- Survey formalization with affected persons.

Identification of the populations concerned is the most critical and sensitive stage.

- To identify persons potentially affected by the Project and all assignees in the case of multiple properties (especially all assignees within the same family)
- To ensure that the community recognizes these persons as those affected and having a legitimate right to compensation for their loss (e.g. by recognizing their ownership or usage of a plot of land)
- To identify vulnerable persons affected by the Project.

The different categories of affected assets include:

- Personal or household property, which is the property of, or is used by, an individual, a family or a household. The following personal property sub-categories may be affected:
  - o Land
  - o Landed property: houses, other buildings making up a concession (chicken house/poultry, shower house, latrine, kitchen, grain store, etc.)
  - o Farms, agriculturally developed fields (cleared, planted, etc.), planted fruit trees
  - o Livestock structures (cattle sheds, pens, etc.)
  - o Trees planted for forestry or other use
  - o Sacred sites specific to an individual or lineage
- Community property: open to the public and financed by the community or the State. The following sub-categories may be affected:

<sup>9</sup> Average inflation rate from NSB, between January - September 2024

<sup>10</sup> Disturbance Allowance: For those HHs not included in the Vulnerability Allowance recipient list, a Disturbance Allowance will be provided which will be equal to the Food Security Allowance.

- o Infrastructures for public services (schools, places of worship, health centre)
- o Community forests
- o Sacred sites or fetishes common to the community
- o Forest or natural resources on Royal Government Reserve and open for usage by all
- o Community lands (leisure area, football field).

Compensation for the different property affected will need to be paid according to a scale based on the replacement cost principle, and this needs to be part of the agreement between DGPC and the RGoB. The scale used nationally to compensate for trees and crops will require assessment to ensure that it effectively corresponds to the relevant replacement cost.

Upon identification of the need for involuntary resettlement in a project, the project will carry out a census to identify the persons affected by the project to determine who will be eligible for assistance, and to discourage inflow of people ineligible for assistance.

The section 3.2 outlines the difference between World Bank's policy requirement and that of the Bhutanese Government and the entitlement matrix identifies the procedure that will be applied. The procedure includes provisions for meaningful consultations with affected persons and communities, local authorities, and it specifies grievance mechanisms. The preferred choice of compensation will thus be assessed with PAHs after final consultation.

#### **4.4.2 Full replacement costs as the basis for compensation**

In accordance with the requirements of the Lenders concerning involuntary resettlement and the statutory stipulations present in Bhutanese law, principles for the valuation of acquired lands and assets have been formulated. This framework seeks to calculate the full replacement cost of all affected assets.

The Lenders prescribe the utilization of the 'full replacement cost' as the benchmark for compensation calculations, aiming to mitigate property losses when compensation in kind (i.e., land-for-land) is not viable. This mechanism ensures that affected individuals receive compensation reflective of the market value of the relinquished assets, plus any applicable transactional costs as per the local laws such as taxes, registration fees, and lawyer's so that the total compensation is enough to replace the lost land, house and other assets.. As stipulated by international standards, a land-for-land solution is markedly preferred, advocating for the allocation of land parcels as compensation, ideally fostering physical and economic displacement mitigation. This approach not only maintains the social fabric of the community but also aids in preserving the socio-economic stability of the affected individuals. Such a method, grounded in the promotion of sustainability and the betterment of livelihoods, is consistent with the objective of facilitating a smooth transition and ensuring that individuals can rebuild and prosper post-resettlement. It is imperative that this strategy is pursued vigorously wherever possible to align with international best practices and safeguard the well-being and interests of the resettled communities.

This land-for-land approach is even more important in the context of small plots and the relatively low monetary value of land in the region affected by the project. The priority offer will be to provide a land-for-land exchange and additional support for the development of the new plot for those affected with more than more than 10 decimals of the affected plot.

#### **4.4.3 Assets valuation**

As it was mentioned before, a Property Valuation and Assessment of Assets (PAVA) is established under the Ministry of Finance with the aim of appraising and determining the value of land and any ancillary properties subject to acquisition. The process for determining compensation for acquired land and properties, as assessed by PAVA, is governed by Sections 151 to 154 of the Land Act, 2007. Approval for monetary compensation for acquired land is granted by the Commission as outlined in Section 6(d) of the Land Act 2007.

Compensation rates are reviewed periodically by the Royal Government of Bhutan (RGoB), mandated by law to occur every three years. The most recent updates are documented in the Land Compensation Rate 2023 (PAVA), which include fruit trees as well as the Bhutan Scheduled Rates (BSR 2023) for affected structures.

DGPC will ensure that the compensation rates for the loss of land, assets, crops, and trees, determined based on prevailing market rates, are aligned with the replacement cost principle. In this regard, the project has included a provision for an additional 20% compensation on top of the PAVA rate as a special dispensation unique to this project, which will not apply to any other future projects. The current market rates obtained from NLCS are considered unreliable for determining market values, and all other hydropower projects in Bhutan use the PAVA rate. This special dispensation will only apply to those opting for cash compensation.

In addition to compensation for affected assets, measures to support the restoration of livelihoods are detailed under chapter 5 of this document, where the analysis of vulnerability and gender will be considered in the proposed measures.

#### **4.4.4 Compensation Options**

The final choice for PAHs will be made once all compensation offers are available. The key criteria for availability are the compensation schedule, that sets out the cash value of all impacted assets, and the options for land for land. Until PAHs have had sight of the options available to them, it would be impractical to expect them to make a final choice. This is discussed further in Section 9.2.1.

## 5 LIVELIHOOD RESTORATION PROGRAM

### 5.1 Overview

This Livelihood Restoration Plan (LRP) is founded on key principles, grounded on the knowledge of the socioeconomic baseline of PAPs:

1. The affected land's value does not reflect its potential to generate livelihoods, necessitating a land-for-land exchange approach to adequately compensate owners, regardless of the land's current use.
2. The small size of impacted parcels justifies replacing entire plots for all PAHs, avoiding the distinction between those severely or less impacted.
3. Compensation for future income loss due to affected trees is included in the legally defined compensation amounts, with no additional compensation planned except for vulnerable PAHs.

The predominance of small holdings in the project area has led to the adoption of land-for-land compensation for all affected individuals to facilitate the improvement or restoration of their livelihoods. This policy applies equally to vacant and unutilized lands, guiding the development of specific actions for each category of PAH.

### 5.2 Objectives and Principles

The Livelihood Restoration Plan (LRP) aims to sustainably restore or enhance the livelihoods of Project-Affected Households (PAHs). It is tailored to align with PAHs' current activities, aspirations, and visions gathered during public consultations, including input from vulnerable groups.

The plan emphasizes partnerships with government and civil society organizations to ensure sustainability. Livelihood restoration will begin **before displacement** through individual agreements with DGPC, focusing on skill training and support structure development. Post-displacement initiatives will include technical expert advice, resource provision, and continued skill enhancement to help PAHs transition effectively.

This LRP adhere to the following principles:

- a. The livelihood restoration strategy involves restoring existing livelihoods, minimizing risks and ensuring continuity, with enhancements introduced when effective.
- b. If restoration is unfeasible, alternative livelihoods will be considered, though these carry higher risks and are often implemented as part of broader community development programs rather than direct compensation.

To ensure effectiveness, a LRP Implementation Manual will be prepared once the land acquisition completes and will provide detailed information about the training programs, which will be based on detailed market assessments, aligning with local economic conditions and labor demands. Collaborative planning and negotiation with PAHs will refine mitigation measures, building on public consultations. Ongoing support will be provided until livelihoods are successfully re-established or sufficient opportunities and assistance have been offered.

**Implementation specialists** will work closely with PAHs, tailoring strategies to individual needs and formalizing agreements to address their capacities and preferences effectively.

### 5.3 Detailed measures

#### 5.3.1 General livelihood restorations programs

##### 5.3.1.1 Capacity building in agriculture and livestock and land development allowance

In addition to the compensation for the land itself, the project will provide the necessary support for the preparation of the new land, along with support for this transition period. A set of actions is proposed, in convergence with what was discussed in the FDG during the public consultations, aimed at strengthening the capacity of PAH agricultural activity. The following actions are proposed:

- **Agricultural and livestock training programs:** These programs aim to boost agricultural production to supply to the Project and its contractors. Training needs will be identified collaboratively with local communities, Dzongkhag Agricultural and Livestock Officers and Implementation Specialists to ensure they are effective and non-redundant. PAHs relocating outside the district may still attend but must cover their travel expenses to the district capital.
- **Establishment of women's cooperatives:** This initiative supports women in forming cooperatives by providing logistical assistance and productive inputs, determined in consultation with the Project before land acquisition. Cooperatives will help women enhance agricultural skills, share workloads, and improve production and market access.
- **Training on credit access:** This includes training in accessing credit and building financial and entrepreneurial skills, benefiting both existing business owners and those planning to start new ventures.
- **Training on Technical Vocational & Educational Training (TVET)** will be identified in collaboration with the Ministry of Education and Skills Development (MoESD) and the needs of the Contractor. The duration of this will range from mechanic, masonry, electrical, welding, plumbing, linesmen, mechanical and instrumentation trainings. The project will support the interested applicant to attend the National Certificate Level 2 courses, that require only Class X certificates, but the applicant must be willing to spend the entire training duration at the training institute.
- **Identifying trainings and trainers:** The project will work closely with the Department of Workforce Planning and Skills Development, MoESD to identify trainers that can plan, design and conduct trainings onsite for a period of 3-5 days. Repeat trainings or next level trainings may be identified at a later period. For short term training, the project will seek quotations from registered private training institutes that are endorsed by the MoESD.
- **Training programs** will be finalized prior to land acquisition and cash disbursements, with sessions commencing immediately after compensation.

Livelihood restoration measures will vary by the temporality of the impact:

- **Temporary Impacts:** Restoration measures will cover the duration of project use, ensuring plots are returned in full condition for use afterward.
- **Permanent Impacts:** Replacement plots will be made immediately ready for use to ensure uninterrupted livelihoods.

##### 5.3.1.2 Measures to restore livelihoods for those permanently affected

The compensation framework for permanently affected PAHs offers two primary options: **monetary compensation** for affected land or **land-for-land compensation**, ensuring tenure security for the entire plot. The PAHs can even opt for the third option being the combination of cash and land for land compensation. For agricultural resettlement, the project will support land clearance and transportation of farming materials.

PAHs are encouraged to opt for the exchange of entire land plots (if land of equal or better productivity is available) and will be associated supported mentioned in section 4.2 and 4.3. Vulnerable PAPs will also receive **3 months of minimum wage support** to ensure economic stability during the transition.

Compensation for fruit-bearing trees reflects the value of lost livelihood potential. Additional measures include assistance for individuals involved in the commercial vehicle trade to mitigate impacts. Tenants can salvage materials from demolished structures, with the project offering support for dismantling and reconstruction at new locations.

#### 5.3.1.3 Measures to restore livelihoods for those temporarily affected.

PAHs are provided with two alternatives regarding their land: (a) they may lease their land to the project, or (b) they may elect to sell the land at its full replacement value to the project.

If they choose to lease, they will be entitled to the land lease amount and the land will be restored to the pre-project level or better upon return. Vulnerable PAHs who are losing their land temporarily will also receive **3 months of minimum wage support** to ensure economic stability during this period.

#### 5.3.1.4 Support for the diversification of the economic activity of the affected people

To support the ESS5 objective of increasing income-generating capacity for PAHs, additional training programs will be offered, with each PAH selecting one program and nominating one male and one female participant. Final selections will prioritize feasibility, eligibility, PAH preferences (with emphasis on women), and maintaining 50% female participation. Market assessments by implementation specialists will align training with local labour demands to enhance employment and income opportunities.

#### 5.3.1.5 Training programs:

**Construction Skills:** Focused on equipping PAHs with skills for hydropower-related and broader construction roles, emphasizing local labor use. Refer section 5.3.1.1 for more details on training.

**Opportunities Beyond the Project:** Targeted at leveraging indirect economic opportunities from increased population and improved access, covering eco-tourism, agriculture, livestock intensification, and non-hydropower construction. Training starts after the LALRP is finalized and specialists onboarded.

**Entrepreneurship:** Provides skills for starting or expanding businesses, integrating business and financial training, credit access, market linkages, and information on government support programs. This program begins after the LALRP approval and specialists' commencement.

**Preferential job opportunities:** When job openings arise in the project, displaced household members will be given first preference, followed by community members, based on their educational qualifications and skills and subject to the preference of contractors. The project will work with the contractors to seek

out their HR requirement plan to determine which jobs can be delegated to the community members based on their skills.

Certain tasks/work may be subcontracted with groups of communities depending on the contractor. These include wall and drain construction, woodwork, construction of residential or storage structures, vehicle hire/material transportation etc. In such cases, the preference will be given to the project impacted community first, then to other gewogs in the Dzongkhag. In the absence of required capacities or interest, opportunities will be provided for people from other Districts.



## 6 COMMUNITY PARTICIPATION-RESETTLEMENT STAKEHOLDERS' ENGAGEMENT AND PARTICIPATION

### 6.1 Summary of previous activities.

A project Stakeholder Engagement Plan (SEP) has been prepared separately, which includes a full list of the consultations carried out. A chronological summary of the stakeholder consultation and/or engagement carried out during the ESIA is presented in the SEP.

#### 6.1.1 Consultation and participation engagement activities related to LALRP

##### 6.1.1.1 PAPs survey and Census

During the sampling of the PAPs in February 2024 and the Census in August 2024, affected household (PAHs) were informed about a) the status of the project, b) the type of impacts identified so far per project component and c) the compensatory arrangements planned for affected land, properties, trees and livelihoods. The PAPs were also informed of impending processes for land and property validation and consultations by the Dzongkhag Administration Land Record section and subsequent acquisition. The PAPs were also given an opportunity to articulate their views and concerns.

Consultation on the draft LALRP was conducted in November 2024, wherein the draft LALRP was shared with the affected households. During the consultations with the PAHs, which was guided by the SEP, participants were briefed on the LALRP objectives, process and the types of resettlement and restoration activities planned. The comments and concerns were documented to be incorporated in this finalization of the LALRP. During the consultation, participants' preference on the types of resettlements as well as the Cut-off date and Grievance Redress Mechanism established as per the SEP were shared and finalized. These documents were signed by the Local Leaders (Thrizations, Gups) in the presence of the PAHs and posted on the notice boards of the relevant Gewog Offices.

To ensure that the consultation could be understood by all participants, the presentation was delivered in Dzongkha and translated in Sharchopkha and Kurtoepkha.

Annexure I A provides the summary of the meetings held and minutes of meetings, and Table 6-1 a summary focused on the most recent November and August 2024.

Table 6-1: Consultation with PAPs

Date	Place	Gender	Major issues of discussions
09/08/24	Tsenkhar	14 M, 7 F	The survey team presented the objective of the current mission and survey. The affected persons mentioned that the project would be beneficial in the development of community, business and job opportunities. However, they indicated the need for exact information on affected areas, project timelines and exact location of land they could ask for exchange. The team informed that on the latter three points, that compensations were being worked out based on field verification and interviews with affected persons which later would be verified and repeated by land record officers of Dzongkhag. They were informed that
09/08/24	Jarrey	2 M, 0 F	



Date	Place	Gender	Major issues of discussions
			exact project timelines as of now are not known but information will be shared in time. Also, that the affected people will be involved in identification of exchange plots of land by the land record section later. They also suggested project manage pollution (air, noise and water) and coordinate waste disposal and management
15/08/24	Tsakaling	15 M, 9 F	Project could help local development and create business and employment opportunities. The project can also provide accurate information on affected land so that PAPs can plan accordingly.
12/08/24	Tsamang	6M, 10 F	The people indicated that if men were provided jobs in the project and women were given opportunities to do business. They also suggested that those affected could be given first preference for jobs generated in the project.
25/11/24	Tsenkhar and Jarrey	10 M, 3F	PAHs were provided updates on project details, impacts, and the grievance redress mechanism (GRM), ensuring inclusivity through multilingual presentations. Key discussions addressed concerns about road construction, fair compensation, land acquisition timing, replacement land quality, and support for education and capacity building. PAPs appreciated the benefits of road access and were assured of market-based compensation and adequate replacement land with development costs covered by the project. The cut-off date and compensation policies were clarified, and GRM details were shared. Outstanding issues, including land conversion and additional support, will be reviewed by management.
25/11/24	Tsakaling	15M, 10F	A consultation meeting with Project-Affected People (PAP) aimed to disclose project information, including impacts, compensation, and grievance mechanisms, through multilingual presentations for inclusivity. Discussions covered bridge connections, compensation rates, restoration of temporarily acquired land, replacement land processes, and the cut-off date, with clarification that no compensation would be given for structures built after this date. PAPs emphasized fair compensation aligned with market rates and preferred land-for-land compensation, with smaller landholders opting for cash. Replacement land will comply with the Land Act, and temporary acquisitions will include restoration and salvage rights. Details on GRM and the use of an escrow account for cash compensation were also shared.
26/11/24	Tsamang	9M, 17F	A consultation meeting with Project-Affected People (PAP) focused on project impacts, compensation, and grievance mechanisms, with multilingual presentations ensuring inclusivity. Key concerns included road construction, power lines, blasting impacts, and training opportunities. PAPs were advised to be present during surveys for the power line, and tunnelling and blasting impacts were addressed with plans for house inventories

Date	Place	Gender	Major issues of discussions
			and compensation. The cut-off date was formally announced, and provisions for unviable land and adjoining government land were discussed. Women expressed interest in starting a cooperative and requested relevant training to enhance livelihoods. GRM processes were detailed, and most PAPs preferred land-for-land compensation, with cash compensation favoured for smaller land parcels. Some points, like new road connections and training plans, require further management review.

### 6.1.2 Future Consultations

Further consultation on the LALRP will be conducted after finalising the LALRP, wherein the LALRP will be shared with the affected households. All the outcome of the LALRP including the entitlements, choice of compensation and other livelihood restoration supports will be disclosed.

### 6.1.3 Information disclosure and Consultation

Upon finalization, the LALRP will be disclosed to all PAPs, ensuring transparency in the process. Moving forward, consultations with PAPs and other key stakeholders will continue throughout the implementation of the project. These consultations will ensure that their concerns are addressed and that they remain informed about all stages of the land acquisition and resettlement process.

### 6.1.4 Disclosure of RAP Survey and Entitlement Matrix

A series of meetings was organized with community stakeholders from 25-26 November, 2024 to disclose the results of RAP Survey and the entitlement matrix that has been formulated for the project affected households. A summary of these meetings is shown in Table 6-2.

Table 6-2: Summary of meetings with Community Stakeholders

Date	Venue	Purpose	Number of Participants	Key Items Disclosed
25 November 2024- AM	Autsho Hotel township	Consultation and Information Disclosure Meeting with PAPs	10 M, 3F	PAHs were provided updates on project details, impacts, and the grievance redress mechanism (GRM), ensuring inclusivity through multilingual presentations. Key discussions addressed concerns about road construction, fair compensation, land acquisition timing, replacement land quality, and support for education and capacity building. PAPs appreciated the benefits of road access and were assured of market-based compensation and adequate replacement land with development costs covered by the project. The cut-off date and compensation policies were clarified, and GRM details were shared. Outstanding issues, including land conversion and additional support, will be reviewed by management.
25 November 2024 - PM	Tsakaling Gewog Hall	Consultation and Information Disclosure Meeting with PAPs	15M, 10F	A consultation meeting with Project-Affected People (PAP) aimed to disclose project information, including impacts, compensation, and grievance mechanisms, through multilingual presentations for inclusivity. Discussions covered bridge connections, compensation rates, restoration of temporarily acquired land, replacement land processes, and the cut-off date, with clarification that no compensation would be given for structures built after this date. PAPs emphasized fair compensation aligned with market rates and preferred land-for-land compensation, with smaller landholders opting for cash. Replacement land will comply with the Land Act, and temporary acquisitions will include restoration and salvage rights. Details on GRM and the use of an escrow account for cash compensation were also shared.
25 November 2024	Tsamang Gewog Hall	Consultation and Information Disclosure Meeting with PAPs	9M, 17F	A consultation meeting with Project-Affected People (PAP) focused on project impacts, compensation, and grievance mechanisms, with multilingual presentations ensuring inclusivity. Key concerns included road construction, power lines, blasting impacts, and training opportunities. PAPs were advised to be present during surveys for the power line, and tunnelling and blasting impacts were addressed with plans for house inventories and compensation. The cut-off date was formally announced, and provisions for unviable land and adjoining government land were discussed. Women expressed interest in starting a cooperative and requested relevant training to enhance livelihoods. GRM processes were detailed, and most PAPs preferred land-for-land compensation, with cash compensation favoured for smaller land parcels. Some points, like new road connections and training plans, require further management review.

### **Post disclosure activities**

Appropriate comments and feedback received during the disclosure and further consultations with the concerned local government and other government agencies will be considered during the revision of the draft RAP. Once the LALRP is updated, it will be redisclosed so that the PAHs can see how their comments have been incorporated in the revised LALRP.



GRM during RAP consultative meetings with communities and project stakeholders. Communities will be informed on the process for submitting complaints, duration for acknowledgement, response and resolution of grievances, the GRM structure, focal persons and ways in which a grievance can be submitted. A copy of the GRM will be uploaded to the project website and displayed on notice boards at the project sites.

### **7.1.3 Notification on Grievance Redress Committees and training on GRM**

Once the Project is operational, relevant Representatives and Officers will be officially notified and trained as GRM committee members.

### **7.1.4 Grievance Resolution Committees– Gewog Level**

The Gewog GRM committee will be chaired by the ESHS manager of the project and comprises respective Gups, Tshogpas and the GRM Focal Person.<sup>11</sup> The Gewog GRC will meet as and when necessary.

### **7.1.5 Grievance Resolution Committee – Project Level**

The GRC at the Project Level will include representatives from Dorjilung HPP Project, Dzongkhag and Respective Gewogs, with the Project Director of the project as the Chair of the Grievance Redress Committee (GRC). When grievances are forwarded to the Project GRC, the relevant Gup from the complainant's Gewog along with the respective Dzongkhag Officials and Dzongda will form the GRC. Additionally, case relevant Sector Heads shall become the de-facto members of the GRC (e.g. Dzongkhag Engineer - if its construction related complaints, SEA/SH focal person - if it is a SEA/SH related complaint)

If the case/complaint is of criminal nature, the case will automatically be referred to RBP or judiciary by GRC.

### **7.1.6 The GRM process**

The Grievance Focal Person and the GRC Secretariat at the Project GRC will be trained to ensure the following:

- Receipt of grievance (preferably documented in writing, but also receivable via telephone, SMS, email, or through a representative or the project website)
- Maintain a grievance register to log all grievances, document GRC meetings and outcomes
- Arrange for the GRC meeting and decision within 2 weeks (10 working days)
- Inform aggrieved person of the decisions of the GRC immediately upon completion of the GRC meetings
- Monitor and report on the implementation of the GRC decision
- Escalate the grievance to the Project level, as per the decision of the Chairperson
- Document and report on all grievances received, their status or resolution and communication

For each complaint, the GRC will determine whether additional investigations are warranted. If so, the additional information will be collected before the GRC meeting with the PAP complainant and will be

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<sup>11</sup> When necessary, the Land Record Officer (as the land expert) will be an ad hoc member mobilized as and when required.

provided to the PAP before the meeting. The GRC will then inform the PAP about the date, time and place of its review meeting, and invite the PAP accordingly.

The GRC will receive the complainant and discuss with them a solution to their grievance. The committee will draw up and sign the minutes of their discussion on the matter. If the complaint is satisfactorily resolved, the PAP will also sign the minutes in acknowledgement of the agreement. In cases where the project has agreed to put in place additional measures, these will be specified, with a timetable for delivery, in the minutes of the meeting.

The plaintiff shall be informed in writing of the decision, whether or not s/he is present during the review. If DGPC decision fails to satisfy the aggrieved PAPs, they can pursue further action by submitting their case to the appropriate court of law).

## **7.2 Closure of grievances**

A grievance will be considered “resolved” or “closed” when a resolution satisfactory to both parties has been reached, and after corrective measures has been successfully implemented when a proposed solution to solve a grievance is agreed between the Project and the complainant, the time needed to implement it will depend on the nature of the solution. Once the solution is being implemented or is implemented, the Project may “close” a grievance even if the complainant is not satisfied with the outcome. This could be the case, for example, if the complainant is unable to substantiate a grievance, or if there is an obvious speculative or fraudulent attempt. In such situations, the Project’s efforts to investigate the complaint and to arrive at a conclusion will be well documented and the complainant advised of the situation. DGPC will not dismiss grievances based on a cursory review and close them in their grievance record unless the complainant has been notified and had the opportunity to provide supplementary information or evidence.

## **7.3 Grievance records and documentation**

The GRM focal or secretariat will manage a database to keep a written record of all complaints received. The database will contain the name of the individual or organization lodging a grievance; the date and nature of the complaint; any follow-up actions taken; the final result; and how and when this decision was communicated to the complainant.

The information on grievance management will be submitted in the six-monthly E&S reports.

## **7.4 Focal Point of Contact for Grievance reporting**

The GRM, as mentioned below, has been constituted with the contact numbers given below to receive any concerns or comments relative to compensation and land. The procedure will be further modified with the constitution of GRC (Grievance Redressal Committee) members and protocols. Until such time, the point of contact for grievance reporting shall be as per the GRM and are set out in the figure below.

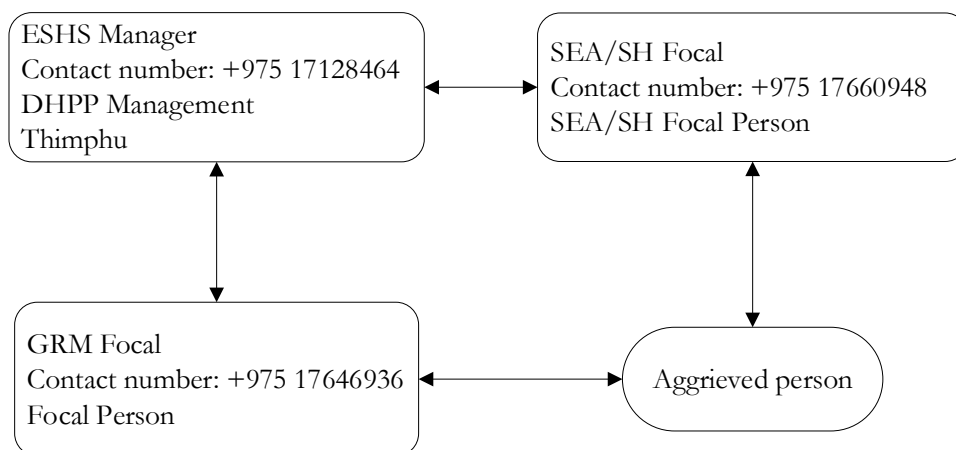


Figure 7-2: Grievance Redressal Mechanism focal contacts



## 8 MONITORING AND EVALUATION

### 8.1 Monitoring

#### 8.1.1 Internal monitoring

The DGPC Land Acquisition Team will consistently oversee internal monitoring throughout the implementation of the LALRP. Community involvement will be integral with representatives from affected communities collaborating in data collection, survey participation and outcome analysis.

Key indicators for internal monitoring will encompass various aspects of the project. These include the count of land plots legalized, agreements finalized and signed, and compensations both in process and settled, current and completed compensation payments, the titling of new properties, ongoing livelihood restoration programs, and the categorization and resolution time for grievances. The Project Land Acquisition Team set up as soon as possible to initiate the process of implementation, will be hands-on in gathering this data directly from the project's locale.

During the initial three years of LALRP execution, detailed monthly internal monitoring reports will be curated. Following this period, the frequency will shift to quarterly reports, continuing up to three years post the commencement of operations. These comprehensive reports will encapsulate:

- A summary of achievements.
- Statistics on compensation agreements finalized.
- Details regarding compensation disbursements, both in count and value.
- Information on PAPs receiving transitional allowances, including the type (be it in-kind or cash) and amount.
- A rundown of livelihood restoration activities rolled out, alongside the number of PAPs involved.
- Evaluation of targets achieved and those pending during the reporting period.
- Challenges faced.
- A record of grievances filed, dissected by their type, origin, the gender of the petitioner, and resolution status.
- Recommendations for potential rectifications.

During the LALRP's first three years of implementation, the DGPC will prepare quarterly LALRP Implementation Status Report and share with the lenders. Furthermore, to gauge the sentiments of the beneficiaries, a satisfaction survey will be initiated two months after the final compensation payment. This will provide valuable insights into the perceived effectiveness and efficiency of the compensation procedure by the affected individuals.

#### 8.1.2 External monitoring

The LALRP's execution will undergo external monitoring, ensuring that the affected households experience comprehensive livelihood restoration. This scrutiny will assess the proficiency of the livelihood restoration measures—either facilitated by the compensation funds deployed by the affected households or with the support from DGPC.

An external monitor will evaluate the results of internal monitoring, strengthening its conclusions with semi-annual on-site assessments during the LALRP's initial three years. If these evaluations detect no

significant challenges, annual reviews will suffice thereafter. These annual external monitoring findings will then be relayed to the Lenders for review.

Appropriately credentialed and seasoned third-party experts will undertake this external monitoring. Their appointment will be a collaborative decision between the DGPC and the Lenders. Before formalizing the relationship with the external monitor, both parties—DGPC and Lenders—will concur on the terms of reference and the desired report structure.

The primary objective of this external monitoring is to authenticate the accuracy of the internal monitoring processes and determine the alignment of Project results with set objectives. Key duties of the external monitor encompass:

- Scrutinizing and authenticating the internal monitoring reports.
- Analysing the detailed asset surveys of the affected persons.
- Evaluating the efficacy of the grievance redressal mechanism.
- Engaging in dialogues with affected households, administrative representatives, and community figureheads.
- Confirming if the livelihoods of affected households have been enhanced or, at a minimum, reinstated to their status before the Project's initiation.
- Determining any heightened opportunities for the affected households to accrue direct or ancillary benefits from the Project.

Should the external monitor identify any discrepancies in the execution or any deviations from the Lenders' stipulated policies, they will recommend appropriate rectifications. In response, the DGPC will draft and present a detailed plan, complete with timelines and associated budgets, ensuring the Project's swift return to compliance.

## 8.2 Evaluations

### 8.2.1 Completion Report

DGPC will prepare and submit to the Bank a Compensation Payment Completion Report once the payment of compensation is completed and the unclaimed compensation amount is deposited into the escrow account.

The internal completion report will encompass a diverse array of insights:

- A condensed overview of all tasks executed during the LALRP's lifespan, drawing from the wealth of monitoring data amassed.
- A detailed breakdown of the PAPs, segmented by the specific project facets they were affected by, and entitlements, aligned with the entitlement matrix.
- Feedback from the PAPs gauging their contentment with the livelihood restoration journey.
- Statistics concerning the nature and count of grievances tabled and their respective resolutions.
- An enumeration of novel commercial or economic endeavours initiated by the PAPs.
- A comparative assessment of the income trajectories and living standards of the PAPs, juxtaposed with the baseline data obtained from the data contained in this LALRP, completed by the final round of surveys to seek 100% coverage of those affected.
- An in-depth look into the diverse avenues of livelihood and income for the PAPs, tracing their evolution since the baseline survey was conducted under the purview of the ESIA in 2023.

### 8.2.2 External completion audit

Following the internal completion audit, an **external evaluator**, mutually selected by DGPC and the Lenders, will conduct a comprehensive audit of the LALRP. This audit will employ a two-pronged approach:

**Qualitative Analysis:** A detailed review of all mitigation measures, including LRP activities, to assess their relevance and efficiency during implementation.

**Quantitative Analysis:** An evaluation of the project's actual outcomes compared to predefined objectives, measuring success and identifying areas needing further action.

The exercise will determine if the livelihood of the PAHs have been restored. If not, it will be proposed corrective action to achieve the goal. The audit will determine whether the monitoring process can be terminated and verify compliance with the Lenders' involuntary resettlement policies. If non-compliance or discrepancies are identified, DGPC will develop a corrective action plan with timelines and budgets to ensure swift adherence to policy requirements.

### 8.3 Schedule of monitoring and evaluation

The table below presents the schedule of monitoring and reporting activities.

Table 8-1: Monitoring and reporting activities

Monitoring or evaluation activities	Reporting	Frequency / Schedule
<b>Internal monitoring</b>	Monthly reports Quarterly reports	During the first 3 years of the LALRP implementation After the first 3 years of the LALRP implementation and until 3 years after operation will have started
	One report after one year of commencement of compensation payment. Compensation Payment Completion Report	Once the payment of compensation is complete and the unpaid compensation amount is deposited into the escrow account.
<b>External monitoring</b>	<b>Annually</b>	On-going until completion
<b>Internal completion report</b>	One report	Three years after implementation of all the LALRP activities.
<b>External Completion audit</b>	One completion audit	Three years after implementation of all the LALRP activities and after issue of Internal completion report

## 8.4 Monitoring indicators

Monitoring and Evaluation, integral to the successful implementation and assessment of projects, can be distilled into three distinct components, each with its specific focus and approach:

- **Process Monitoring (generally referred to as input monitoring):** Focuses on ensuring resources—services, goods, or other inputs—are effectively and timely utilized to achieve desired outputs. This continuous, internal activity monitors real-time developments and allows for necessary adjustments.
- **Performance Monitoring (output monitoring):** Measures the immediate, quantifiable results of deployed resources. This internally conducted activity evaluates the effectiveness of processes in delivering intended outputs, ensuring alignment with benchmarks.
- **Impact Evaluation (outcome evaluation):** Assesses the broader, long-term effects of the project, determining whether inputs and outputs collectively achieve the LALRP's objectives. It also forecasts potential future outcomes, offering a holistic view of the project's overall impact.

In essence, while the first two components are reflective and responsive, adjusting to the present, the third delves deeper, reconciling the present with the project's overarching goals and charting potential trajectories.

## 8.5 Reporting requirements

DGPC will prepare and submit a quarterly LALRP Implementation Status Report as part of overall project progress reporting to be shared with the Lender, for their review and approval.

Table 8-2: Evaluation and reporting activities

Monitoring or evaluation activities	Reporting	Frequency / Schedule
<b>Process</b>		
Overall spending of the LALRP budget	Financial records	Monthly
Distribution of spending by: Cash compensation Livelihood restoration activities Transitional allowances Consultation and engagement with PAP and other stakeholders Vulnerable people assistance General implementation & overhead	Financial records + LALRP database	Monthly
Number of staff mobilized, full-time / Part time, in-house or outsourced, distribution by responsibility and skill types	DGPC HR-dept.	Monthly
Number of PAP by categories (as per the entitlement/compensation matrix)	Census & grievance management	Monthly
<b>Performance</b>		
Number and amount of compensation agreements signed	LALRP database	Monthly
Number and amount of compensation paid	LALRP database	Monthly
Number of PAP having received transitional allowance, by nature (in kind or cash) and amount	LALRP database	Monthly
Number and nature of livelihood restoration activities conducted, and number of PAP participating in these activities	LALRP database	Monthly
Number of PAP employed by the Project	Contractor & Operator HR dept + LALRP Database	Monthly
Number of land plots registered by the PAPs	LALRP Database	Monthly
Number, nature, amount and type of transitional allowance or assistance provided to PAPs	LALRP database	Monthly
<b>Impact</b>		
Number of grievances opened in the period and trend in time	Grievances management system	Monthly
Types of grievances and aggrieved party (e.g. vulnerable HH or not vulnerable)	Grievances management system	Monthly
Number of pending open grievances in the period and trend in time	Grievances management system	Monthly
Number of grievances closed in the period and trend in time	Grievances management system	Monthly

Monitoring or evaluation activities	Reporting	Frequency / Schedule
Average time for grievance processing	Grievances management system	Monthly
Average time for compensation payment	Financial dept + LALRP database	Monthly
Satisfaction of PAP regarding the compensations	Satisfaction survey	Two months after payment of last compensation
Levels of income and standards of living of PAP	Socioeconomic survey	Internal evaluation
Number of new business or economic activities established by PAPs	Socioeconomic survey	Internal evaluation
Type of means of livelihoods and income sources of the PAPs	Socioeconomic survey	Internal evaluation
Satisfaction of PAP regarding the Livelihood restoration process	Satisfaction survey	Internal evaluation

## 9 PROJECT IMPLEMENTATION

### 9.1 Agreement on land acquisition between the project and RGoB

The land allocated for compensation shall be provided by the Department of Forests and Park Services (DOFPS), as required for inclusion in the Compensatory Afforestation figures. Although a formal agreement has not yet been finalized, this procedure aligns with established norms. For detailed information on the steps pertaining to land compensation, please refer to the project summary previously provided. This method ensures compliance with national regulations and guidelines, facilitating a transparent and legally sound process for land acquisition necessary for the project.

As part of the land acquisition process, an agreement or Memorandum of Understanding will be prepared between the DGPC, Gewog (local government), and affected households, outlining the compensation package and purchase price. This document will be finalized once all parties reach an agreement on the compensation terms. The project will then proceed with the following steps to ensure adequate compensation for all affected households:

- **Pre-project Survey:** Surveys of all the land owners are completed to ascertain the exact area of impact. Should the need arise, a pre-project survey will be conducted.
- **Disclosure of Compensation Details:** The Land Acquisition and Compensation summary will be made available to the community and will be disclosed to the public.
- **Grievance Redress Mechanism:** Once approved, a Grievance Redress Mechanism will be instituted to address any concerns or complaints arising during the project implementation.
- **Consultation and Agreement on Compensation:** Prior to the construction phase, the project, along with the Dzongkhag Land Record Officers, will consult with affected households to determine the type of compensation and amount to be paid.
- **Economic Development Initiatives:** The project will initiate activities to improve existing economic activities and develop alternative sources of income. This will include preferential hiring and skills training, assistance for management of received financial compensation, support to develop existing economic activities, and assistance for legalization of land.
- **Monitoring and Reporting:** The implementation of these activities will be closely monitored and reported upon. Any grievance arising during the project implementation will be addressed through the Grievance Redress Mechanism, which will be disseminated to the community in advance and made accessible to any person.

This approach ensures that the land acquisition process is conducted in a manner that is just and equitable, providing clear benefits to the affected households while meeting the project's objectives.

### 9.2 Responsibilities and institutional arrangements

The Druk Green Power Corporation (DGPC) shall assume the primary role for the execution of the Land Acquisition and Livelihood Restoration Plan (LALRP), in collaboration with the local administrative bodies of Mongar and Lhuentse Dzongkhags, as well as the administrative authorities of Banjar, Jarey, Tsakaling, and Tsamang Gewogs. DGPC will oversee all land acquisition and resettlement initiatives, ensuring systematic and coherent actions are taken in unison with the Dzongkhag and Gewogs, particularly in the daily administration and enactment of the LALRP.

Moreover, DGPC will undertake the execution and regular monitoring of the Land Acquisition and Resettlement Plan (LALRP), upholding effective communication and coordination among the pertinent



Departments, the Grievance Redress Committee (GRC), and the Displaced Persons (DPs). This is to guarantee the deployment of adequate personnel to carry out resettlement activities promptly, thereby avoiding any disruptions to civil work schedules.

Supporting DGPC's efforts, the local Dzongkhag Administration—including the Dasho Dzongdag, Land Record Officer (LRO), and Gup—will play a significant role in assisting the impacted individuals. Their support will encompass compensation delivery, as allocated by DGPC/Dorjilung Hydropower Plant (HPP), along with the identification of alternative land. They will also aid in mitigating any adverse social impacts, ensuring that the affected persons receive the necessary assistance to facilitate their transition during and after the project's implementation.

### **9.2.1 Land acquisition process**

#### **9.2.1.1 DGPC**

The Managing Director (MD)/Chief Executive Officer (CEO) of a SPV formed to implement Dorjilung Hydropower Plant Project (HPP) will assume central responsibility for the coordination of all departments and agencies involved in the resettlement processes, as well as for the oversight and monitoring of the LALRP execution. Within the project's Environment, Social, Health & Safety Division, a dedicated resettlement sub-unit will be established to manage the activities related to land acquisition, land replacement, cash compensation and livelihood measures.

The Resettlement/Social Officer, supported by an assistant focused on LALRP affairs, will assist with the daily tasks linked to resettlement execution. The Officer will organize displaced communities to partake in the LALRP activities, ensuring that these tasks are carried out effectively. Monitoring of the land acquisition and resettlement management progress throughout the project area will be conducted by the MD/CEO, possibly through the designated officer and the District Land Acquisition and Allotment Committee (DLAAC).

The principal duties of the Resettlement/Social Officer include:

- Disclosure of LALRP processes, policies, and principles to the displaced communities to sustain engagement and transparency.
- Adherence to the compensation unit rates as prescribed by the Property Valuation Agency (PAVA), and establishment of rates for unlisted agricultural products based on current local market values in full concord with the impacted persons.
- Regular supervision of the LALRP's progress and associated activities.
- Coordination with DLAAC and pertinent government authorities.
- Engagement in consultations with the affected persons.
- Creation and management of a database for the impacted persons, overseeing internal monitoring, and responding to its findings.
- Providing aid during compensation and land replacement activities.
- Regular preparation of progress reports and documentation of unresolved issues.
- Collaboration with impacted persons, local administrative bodies, and community-based organizations.
- Coordination between DGPC/Dorjilung HPP, field officers, and relevant government departments at all levels will be pivotal to the seamless implementation of the LALRP.

#### **9.2.1.2 Dzongkhag Land Acquisition and Allotment Committee (DLAAC)**



The District Land Acquisition and Allotment Committee (DLAAC) serves a critical role in executing the LALRP. Tasked with orchestrating consultations among the affected households (HHs) and communities, the DLAAC is responsible for finalizing the inventory and valuation of assets and supporting the identification and allocation of replacement land. The processes of acquisition, land transfer, and compensation distribution fall under the DLAAC's purview at the district (Dzongkhag) level, with oversight to ensure transparency and accuracy. In these efforts, the Gups from the concerned Gewogs may also engage in dialogue with individuals and families to facilitate equitable agreements.

The specific functions managed by the DLAAC encompass a range of critical activities:

- Coordinating with the Druk Green Power Corporation (DGPC)/Dorjilung HPP as necessary for all activities related to resettlement.
- Verifying and certifying the list of impacted persons and endorsing compensation documentation.
- Aiding in the process of pinpointing suitable replacement land for those displaced.
- Overseeing compensation arrangements for the preparation of agricultural lands, including paddy fields and dry lands.
- Monitoring the proper registration of replacement land title deeds (thram) to ensure that impacted persons receive legal documentation of their new properties.

### 9.2.1.3 Payment of compensation (procedure/ bank transfer etc.)

In the context delineated within section 3.3, the principal legal instruments governing Land Acquisition and Resettlement in the Kingdom of Bhutan are identified as the “Land Act” of 1979, with amendments introduced in 1991 and further in 2007 and the Property Valuation and Assessment of Assets (PAVA) Rates inaugurated in 2009. These legislative frameworks are instrumental in regulating aspects of land ownership, sale, and the compensation mechanisms administered by the Royal Government of Bhutan (RGoB) in instances where land or fruit-bearing trees necessitate acquisition. Notably, the Land Act delineates the acquisition protocols for land and properties under the principle of eminent domain, to be invoked exclusively for objectives deemed in the public interest, thereby serving the nation's welfare.

For the operationalization of the Land Act 2007, the National Land Commission (NLC) has meticulously developed the Land Rules and Regulations for the Kingdom of Bhutan 2007. These regulations articulate with precision the institutional responsibilities, procedural mandates, and regulatory guidelines essential for the comprehensive management of the national land registry, entitlements to land ownership, and the assertion of land rights. Additionally, they encompass the procedures for land registration, conveyance, acquisition, and compensation, alongside provisions for land grants, the allocation of governmental land, cadastral documentation and mapping, land conversion processes, land leasing, the establishment of easements, and the procedures for the annulment of land titles.

In adherence to Sections 143 and 144 of the Land Act, it is a mandatory obligation for any Government Institution or Gerab Dratshang that initiates a land acquisition process to provide financial compensation, offer alternative land, or both, depending on what is deemed appropriate and subject to the approval of the National Land Commission (NLC). This requirement is part of a broader effort to ensure equitable treatment in the process of land acquisition. The establishment of the Property Valuation and Assessment of Assets (PAVA) under the Ministry of Finance aims to accurately assess the value of land and any associated properties that are to be acquired, ensuring a fair and transparent process.

Moreover, pursuant to Section 6(l) of the Land Act, the District Land Acquisition and Allotment Authority (DLAAC) has been tasked with managing the acquisition of registered land located outside the boundaries

of Thromdes/Throms and the distribution of Government Reserved Forest (GRF) land. This arrangement is supported by detailed guidelines and procedural norms designed to streamline the compensation payment process, as well as to regulate the release and formal registration of both acquired and substitute land parcels. Sections 142 and 196 of the Land Act stipulate that the government, as defined within these provisions, shall only proceed with the acquisition of registered land when it serves the public interest. Any Government Institution proposing such acquisition must explicitly articulate the public interest objectives that justify the land acquisition. It is explicitly stated that the following conditions shall not be construed as serving the public interest: (i) any acquisition or substitution of land that engenders doubt or suspicion of a conflict of personal interest, whether on the part of an individual or a collective, thereby undermining the integrity of the public interest, and (ii) the acquisition of extensive tracts of land that exceed the actual necessity and lack proper justification.

The process for handling compensations will be conducted as outlined below:

### **Agency Responsibility and Valuation Process:**

In line with Sections 143 and 144 of the Land Act, it is incumbent upon any Government Institution or Gerab Dratshang seeking land acquisition to undertake the provision of monetary compensation or the arrangement of substitute land, or possibly both, subject to the authorization of the Land Commission. A Property Valuation and Assessment of Assets (PAVA) will be established under the Ministry of Finance with the objective to appraise and ascertain the value of land and any ancillary property subject to acquisition. The determination of compensation for the acquired land, including any landed property as assessed by PAVA, shall adhere to Sections 151 to 154 of the Land Act, 2007, with the approval for monetary compensation for acquired land being conferred by the Commission as delineated in Section 6(d) of the Land Act 2007.

### **Substitute Land Provision outside Thromde:**

According to Section 147 of the Land Act, landowners from rural areas subjected to land acquisition are afforded the choice between substitute and or cash compensation. Should substitute land be elected as compensation, its location within rural settings is to be determined with a preference hierarchy:

1. The substitute land should ideally be located within the same village.
2. In the event that substitute land is unavailable within the same village, the next consideration should be land within the same Gewog.
3. Should there be no suitable land in the first two preferences, substitute land should then be sourced from within the same Dzongkhag.

It is stipulated under Section 155 of the Land Act that substitute land for rural acquisitions shall not be sourced from Thromde areas.

### **Land Acquisition and Substitution Procedures:**

The entity proposing the acquisition is required to apply to the National Land Commission Secretariat (NLCS), detailing the purpose and the required land extent for the proposed acquisition. Upon receiving the application, the NLCS will evaluate the proposal with particular attention to:

- Verifying that the proposed acquisition serves the public interest as outlined in the Land Act.
- Ensuring the avoidance of conflicting national interests regarding land use.

The Secretariat will reach a decision on the proposal within two weeks of receiving the application, instructing the Dzongkhag/Thromde Committee to either proceed with a detailed report preparation if the proposal is deemed feasible, or rejecting the proposal with reasons if found otherwise.

Should the proposal be approved, the District Land Acquisition and Allotment Authority (DLAAC) will issue a notice to the landowner regarding the government's intent to acquire the land, providing at least a 120-day notice period prior to the acquisition. For Thromde areas, this notice will be conveyed by the Executive Secretary.

In cases stipulated under Section 155(a) of the Land Rules and Regulations 2007, the Dzongkhag/Thromde Committee is tasked with preparing a detailed report, adhering to the prescribed format from Annexure PLA Form (1) to PLA Form (7), which includes specifying the compensation based on PAVA valuation, ensuring compliance with relevant laws for substitute land, adhering to Chhuzhing conversion requirements if applicable, confirming the location of substitute land as per regulations, and fulfilling survey report requirements including cadastral mapping. The responsibility for cash compensation rests with the respective Government Institution or Gerab Dratshang, ensuring alignment with the structural or Local Area Plan and Development Control Regulations for the intended use of the land by the applicant, particularly in Thromde cases.

#### **9.2.1.4 Payment of Compensation, release, and registration of acquired land**

Upon reaching a final decision, the National Land Commission Secretariat (NLCS) is obliged to:

- Inform the Dzongkhag/Thromde Committee and the landowner of the Land Commission's decision regarding the acquired land.
- Transfer land ownership and register the acquired land in the name of the applicant within 30 days following the Land Commission's decision.
- Release substitute land from Government Reserved Forest (GRF)/Government land and register the substitute land in the name of the individual whose land was acquired if land substitution is sanctioned by the Land Commission within 30 days from its decision.
- Facilitate the required cash payment by the applicant if cash compensation is determined by the Land Commission within 30 days from its decision.
- Ensure the transfer of acquired land only after the compensation has been provided to the landowner in compliance with Section 158 of the Land Act.

### **Land Compensation Rates 2023**

The compensation rates for land transactions, acquisitions by the government, compensation payments, allotments, and development fees have been updated to the revised rates of 2023, which supersedes previous rates. These will remain in effect until the PAVA introduces new rates in the future.

#### **Compensation for Cash Crops/Fruit Trees and Annual Crops**

Following Section 151, Chapter 7 of the Land Act 2007, the Royal Government has updated the compensation rates for cash crops, fruit trees, and annual crops on land acquired by the Government, effective from 1 November 2023. These updated rates supersede those in the Land Compensation Rates 2022.

#### **Conditions for Compensation Payments**

- Compensation claimants must be the legal owners of the land and/or property, verified by ownership certificates.
- Compensation payments must match the land categories as recorded in the land records (Thram).
- Land intended for immediate acquisition should allow for the harvest of annual crops before acquisition.

### **Procedural Steps for Implementation**

- Initiation: Proposals for land acquisition are to be submitted to the NLCS for approval, with decisions communicated within 2 weeks.
- Notification: Following NLCS approval, the Dzongkhag or Thromde Committee must notify landowners of the government's intention to acquire land at least 120 days before acquisition.
- Replacement: Landowners have the option for substitute land or monetary compensation, with the latter determined by the Dzongkhag/Thromde Committee based on government-fixed compensation.
- Municipal Boundary Reference: Distances from the municipal boundary are determined by the MoWHS.
- Valuation: Compensation for land and structures is assessed by the Committee and Dzongkhag Engineers, respectively.
- Taking Possession: The process complies with Section 158 of the Land Act of Bhutan 2007.
- Effective Rate: Compensation rates are based on the land category at the time of the government's acquisition notification.

All compensation payments for land and assets will be handled by the district administration office (DAO) directly to the owners of the affected properties on behalf of DGPC. DGPC will cover any additional support and transaction costs not managed by the DAO, paying directly to the affected individuals. Funds required for compensating land and asset losses will be deposited by DGPC with the DAO, which will then disburse these funds to the rightful recipients.

There may be situations where individuals decline compensation, are unavailable to receive it, or lack the necessary documentation to claim it. In such cases, DGPC will work with the DAO to set up an interest-bearing escrow account. Funds designated for compensation but unable to be disbursed due to these reasons will be transferred to this escrow account before the lands are taken over. Regular monitoring reports will track and document the amounts deposited into and subsequently paid from the escrow account.

## **9.3 Implementation of the LALRP**

### **9.3.1 LALRP activities and implementation schedule**

The steps and activities needed to prepare and implement land acquisition, and Livelihood Restoration, negotiate with the affected people, implement the entitlement and compensation packages, and monitor the implementation of the LALRP are listed in Table 9-1.

## **9.4 Arrangements for Adaptive Management**

In the event that there are unanticipated changes in project conditions, or unanticipated obstacles to the implementation of the LALRP, the following measures will be undertaken to ensure satisfactory resettlement outcomes:

- Dedicated team for LALRP implementation that will work closely with the Local Government to determine appropriate measures to tackle unanticipated incidents
- Contingency budget will be tapped with the approval of the project board
- Implementation issues will be immediately raised to the management and project board that will in turn guide or authorize the project to change implementation plan or adopt a revised strategy to deal with the unanticipated events. Changes or modifications will be communicated through the LG to the affected persons.
- Where there are factors beyond the control of the project, alternative measures will be explored in consultation with the Local Government.

Table 9-1: LALRP Activities and Implementation Schedule

#	Step and Actions	Responsibility	2025				2026				2027				2028				2029				2030			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
A	Land Acquisition Preparation																									
A1	Finalize Draft LALRP	DHPP																								
A2	Submission of the final LALRP for clearance	DHPP																								
A3	Review and clear LALRP from World Bank	WB																								
A4	Disclosure of final LALRP by DHPP and WB	WB and DHPP																								
A5	Functional Grievance Redress Mechanism																									
A5.1	Notify the GRC members for formation of the committee and get approvals and consents	DHPP																								
A5.2	Advertise/inform PAPs about the GRM and that it is functional	DHPP																								
B	Pre-implementation Activities																									
B0	Disclosure of final LALRP to the PAHs/PAPs	DHPP																								
B1	Develop Individual HH Compensation																									
B1.1	Review asset data for each HH and apply compensation rates and allowances	DHPP																								

#	Step and Actions	Responsibility	2025				2026				2027				2028				2029				2030			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
B1.2	Develop individual HH compensation offer document	DHPP																								
B1.3	Communicate the compensation offer to the PAHs	DHPP																								
B1.4	Record decisions from PAHs and finalize offers	DHPP																								
B1.5	Convert offers into agreements and signed off	DHPP																								
B1.6	Pay compensation to the PAHs bank accounts	DHPP and selected Bank																								
B2	Facilitate in-kind compensation process																									
B2.1	Mobilize the DLLC to identify preferred alternative land for PAHs	DHPP, DLLC and PAHs																								
B2.2	Secure consent from the individual PAHs for alternative land identified	DHPP, DLLC and PAHs																								
B2.3	Process the land transaction and transfer	DHPP and DLLC																								
B3	Physically displaced resettlement																									
B3.1	Identify the displaced HH's substitute plot	DHPP, DLLC and PAH																								
B3.2	Agree design of the replacement structures	DHPP and DGPC																								

#	Step and Actions	Responsibility	2025				2026				2027				2028				2029				2030			
			Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
B3.3	Construction of the replacement structures	DHPP and DGPC																								
B4	Compensation payment																									
B4.1	Compensation payment completion report																									
B4.2	Creation of escrow account for securing unclaimed compensation amount	DHPP and selected Bank																								
C	Livelihood Restoration Program																									
C1	Preparation of LRP Manual that would describe the process of livelihood restoration activities and associated assistance	DHPP																								
C2	Livelihood restoration activities	DHPP, LG and applicable ministries																								
C3	Capacity building trainings	DHPP, LG and applicable ministries																								
D	Monitoring and reporting																									
D1	Internal monitoring and quarterly reports	DHPP																								
D2	External monitoring and six-monthly reports	External monitor and DHPP																								
D3	External completion audit	External auditor																								



## 9.5 Budget and funding

### 9.5.1 Funding

The entire cost for the implementation of the LALRP will be funded by the project.

### 9.5.2 Budget

Table 9-2: Preliminary budget of LALRP

Sl no.	Item	Total Cost (Nu.)	Total Cost (USD) <sup>12</sup>
<b>1</b>	<b>Compensation (Land, Structures, Crops)</b>		
<b>1.1</b>	Private land	10,931,182.53	126,269.87
<b>1.2</b>	Structures	1,083,192.88	12,512.34
<b>1.3</b>	Fruit trees	329,075.70	3,801.27
<b>1.4</b>	Estimated value of House (for Reconstruction)	2,997,170.74	34,621.36
<b>Subtotal 1</b>		<b>15,340,621.85</b>	<b>177,204.83</b>
<b>2</b>	<b>Allowances</b>		
<b>2.1</b>	Land transaction assistance	2,892,187.26	33,408.65
<b>2.3</b>	Transportation allowance	100,000.00	1,155.13
<b>2.4</b>	Rental allowance	42,000.00	485.16
<b>2.5</b>	Vulnerability allowance	1,596,452.40	18,441.17
<b>2.6</b>	Transitional allowance	112,000.00	1,293.75
<b>2.7</b>	Food Security allowance	558,714.00	6,453.90
<b>2.8</b>	Disturbance allowance	297,014.40	3430.92
<b>Subtotal 2</b>		<b>5,598,368.06</b>	<b>64,668.69</b>
<b>3</b>	<b>LALRP Implementation</b>		
<b>3.1</b>	International resettlement specialist <sup>13</sup>	5,515,900.00	63,716.07
<b>3.2</b>	Local land acquisition expert <sup>14</sup>	2,393,052.00	27,642.97
<b>3.3</b>	Local livelihood restoration expert	2,393,052.00	27,642.97
<b>3.4</b>	Training on financial management and other livelihood skills	2,148,500.00	24,818.07
<b>3.5</b>	Trainings/ Workshops cost	859,400.00	9,927.23
<b>Subtotal 3</b>		<b>13,309,904.00</b>	<b>153,747.30</b>
<b>Total (Subtotal 1+2+3)</b>		<b>34,248,893.91</b>	<b>395,620.82</b>
<b>4</b>	3,424,889.39	39,562.08	39,745.09
<b>5</b>	1,712,444.70	19,781.04	19,872.55
<b>Grand Total (without Provisional Amount)</b>		<b>37,673,783.30</b>	<b>435,182.90</b>
<b>Grand Total (with Provisional Amount)</b>		<b>39,386,228.00</b>	<b>454,963.94</b>

<sup>12</sup> Conversion rate of 18.01.2025 is adopted @ 1 USD = Nu. 86.57.

<sup>13</sup> The consultant will be engaged for 1.5 months during the implementation of LALRP and for 1 month after the project completion

<sup>14</sup> Both local experts (refer Sl no. 3.2 and 3.3) will be engaged for 3 months.

## APPENDICES

## APPENDIX I A: Summary of The Meetings Held and Minutes of the Meetings (February 2024 and August 2024)

### A. Summary of meetings held

To summarize all engagement processes, these sessions were part of the public consultation process for the preparation of the LALRP and aimed to: i) better inform the local population about the project and its current status; ii) better understand how the project could have a differential impact on these groups and; iii) understand the best ways of restoring livelihoods for those affected by the project.

#### i. FGD with Resource-Constrained Women Heading Households

- ✓ Held in Autsho on 17th February 2024 with a total of 4 female participants. The occupations of all the participants were farmers.
- ✓ Held in Tsakaling on 18th February 2024 with a total of 5 participants. The occupations of all the participants were farmers.
- ✓ Held in Challi on 19th February 2024 with a total of 4 female participants. The occupations of all the participants were farmers.
- ✓ Held Saleng on 19th February 2024 with a total of 3 female participants. The occupations of the participants were farmers (2) and a private employee.
- ✓ Held in Drepong on 20th February 2024 with a total of 7 female participants. The occupations of the participants were farmers (5), Tshogpa (1) and caretaker (1).
- ✓ Held in Tokari on 20th February 2024 with a total of 5 female participants, the occupations of all the participants were farmers.

#### ii. FGD with Elderly

- ✓ Held in Tsenkhar on 17th February 2024 with a total of 5 participants (2 males and 3 females). The occupations of all the participants were farmers.
- ✓ Held in Tsakaling on 18th February 2024 with a total of 4 participants (2 males and 2 females). The occupations of all the participants were farmers.
- ✓ Held in Challi on 19th February 2024 with a total of 4 participants (2 males and 2 females). The occupations of all the participants were farmers.
- ✓ Held in Saleng on 19th February 2024 with a total of 8 participants (4 males and 4 females). The occupations of all the participants were farmers.
- ✓ Held in Drepong on 20th February 2024 with a total of 5 participants (3 males and 2 females). The occupations of all the participants were farmers.
- ✓ Held in Tsamang on 20th February 2024 with a total of 4 participants (2 males and 2 females). The occupations of all the participants were farmers.

#### iii. FGD with Youth

- ✓ Held in Autsho on 17th February 2024 with a total of 4 female participants.
- ✓ Held in Tsenkhar on 18th February 2024 with a total of 5 participants (3 males and 2 females). The occupations of all the participants were farmers.

- ✓ Held in Challi on 19th February 2024 with a total of 6 participants (2 males and 4 females). The occupations of all the participants were farmers.
- ✓ Held in Saleng on 19th February 2024 with a total of 7 participants (1 male and 6 females). The occupations of all the participants were farmers.
- ✓ Held in Drepong on 20th February 2024 with a total of 3 participants. 1 indicated their occupation as a farmer.
- ✓ Held in Tsamang on 20th February 2024 with a total of 4 participants (3 males and 1 female).

#### iv. FGD with low-income groups

- ✓ Held in Tsenkhar on 17th February 2024 with a total of 5 participants (1 male and 4 females). The occupations of all the participants were farmers.
- ✓ Held in Tsakaling on 18th February 2024 with a total of 6 participants (2 males and 4 females). The occupations of all the participants were farmers.
- ✓ Held in Challi on 19th February 2024 with a total of 5 female participants. The occupations of all the participants were farmers.
- ✓ Held in Drepong on 20th February 2024 with a total of 9 participants (2 males and 7 females). The occupations of all the participants were farmers.
- ✓ Held in Saleng on 19th February 2024 with a total of 2 female participants. The occupations of both participants were farmers.
- ✓ Held in Tsamang on 20th February 2024 with a total of 4 female participants. The occupations of all the participants were farmers.

### B. Minutes of the Meetings

#### i. Tsenkhar, Lhuentse

Date: 09/08/2024

Time: 09:45 am – 11 am

- ✓ The project would benefit the entire and most of the community.
- ✓ Development of community.
- ✓ Development of business opportunities.
- ✓ Job opportunities for both genders. (Young and old).
- ✓ Hire of vehicles to the project.
- ✓ Sales of food items and agricultural products (fruits and vegetables) to the project.
- ✓ Exact information of the affected area.
- ✓ Exact starting dateline of the project in order to plan accordingly.
- ✓ Exact location or place if given the land exchange.

The project should:

- ✓ Manage air pollution. Give awareness and control to decrease the air pollution.
- ✓ Segregate the waste management in a proper manner. Thromde and the Dzongkhag Administration should coordinate to solve it.

Total participation: 23 (Tsenkhar: 21, Jarey: 2)

**ii. Tsakaling, Mongar**

Date: 15/08/2024

Time: 11am – 12:30 pm

- ✓ The project would benefit the entire community.
- ✓ The project would more benefit the men to participate. Job opportunities for both the young and older people.
- ✓ Development of schools and BHU (health services) from the project.
- ✓ Development of farm roads within the community and Gewogs. (Black top).
- ✓ Benefit if given the first job preference to the community people.
- ✓ Advantages and opportunities of business.
- ✓ Sales of agricultural products.
- ✓ Allocation of local markets nearby the project for the business with comfortable and good facilities.
- ✓ Hire of vehicles to the project.
- ✓ Lease land to the project.

Total participation: 24

**iii. Tsamang, Banjar, Tokari: Mongar**

Date: 12/08/2024

Time: 12 pm – 1:30 pm

- ✓ It will benefit all the community people out here since we don't have any source of income.
- ✓ It would benefit the men. We have more men compared to women without jobs.
- ✓ Job opportunities to the men and business opportunities to the women. Women can work for agriculture products and men for the project.
- ✓ Advantages of sales of local agricultural products (fruits and vegetables).
- ✓ Hiring of vehicles to the project and from the project.
- ✓ First job preference to those who have been already affected.
- ✓ Road connectivity, Tokari towards the project.
- ✓ Exact information about the affected area.
- ✓ Starting dateline of the project.

Participation: 19 (Banjar: 3, Tokari: 16)

## APPENDIX I B: Summary of The Meetings Held and Minutes of The Meetings (November 2024)

### A. Tsenkhar and Jarrey, Lhuentse

Date: 25/11/2024

Time: 09:00 am – 12:30 pm

- ✓ Prior information on the meeting was disseminated through the Mangmi and Tsogpa to ensure participation of all PAHs. Some of the PAHs were unable to attend (outside the country, some had other obligations).
- ✓ PAH had doubts about project commencement dates.
- ✓ Information was provided on the background and the objectives of the session as a consultation and information disclosure meeting with the Project Affected People (PAP) while relating it back to previous consultations held.
- ✓ Presentation included - Project description, detailed description of where the impacts would be using Google Maps, SEP, key findings of the socio-economic survey, GRM, draft LALRP, cut-off date and Q & A Session.
- ✓ To ensure that the consultation could be understood by all participants, the presentation was delivered in Dzongkha and translated in Sharchopkha and Kurtoepkha.
- ✓ Concerns raised and clarified were regarding farm road construction, cut-off date, phase-wise land acquisition, value and benefits of compensation, replacement land in Yenlag Thromde, land parcels smaller than 10 decimals, submergence area, conversion from Chhuzhing to Kamzhing, additional support from the Project, assessment of education and health facilities, training and capacity building, types of compensation preferred.

Takeaways:

- PAPs expressed that the road access would benefit them.
- Compensation would be fair (as per market rate) and no compensation would be provided for additional/new structures constructed after the cut-off date.
- Cut-off notification was signed by the Thrizin in the presence of witnesses and posted on the notice board.
- All land would be acquired at the same time and not phase-wise.
- It was clarified that all replacement land will be similar (in terms of accessibility, water and electricity) to the land acquired with development costs borne by the Project.
- The types of compensation allowances (transition, transportation etc.) were explained in detail.
- The GRM process was explained in detail and the notification along with contact information of the relevant officers was shared and posted on the notice board.
- Some of the discussion points are to be discussed with the management for further action (land conversion, additional support, training and capacity building, land <10 decimals, replacement land in Yenlag Thromde).

Total participation – 13 (10 male and 3 female)

in

### B. Tsakaling, Mongar

Date: 25/11/2024

Time: 2:30 pm – 5:30 pm

- ✓ Information was provided on the background and the objectives of the session as a consultation and information disclosure meeting with the Project Affected People (PAP) while relating it back to previous consultations held.
- ✓ Presentation included - Project description, detailed description of where the impacts would be using Google Maps, SEP, key findings of the socio-economic survey, GRM, draft LALRP, cut-off date and Q & A Session.
- ✓ To ensure that the consultation could be understood by all participants, the presentation was delivered in Dzongkha and translated in Sharchopkha and Kurtoepkha.
- ✓ Concerns raised and clarified were regarding bridge connection, one structure on affected plot, compensation rates for land, restoration of temporarily acquired land upon completion of project, replacement land whereby APs should accompany the designated office/personnel to find replacement land, land issues regarding recently deceased HH head, preferred type of compensation and cut-off date.

#### Takeaways:

- PAPs and the community expect fair compensation that follows principles of the middle path.
- Compensation would be fair (as per existing market rate) and no compensation would be provided for additional/new structures constructed after the cut-off date.
- Cut-off notification was signed by the Thrizin in the presence of witnesses and posted on the notice board.
- Any temporary acquisition would entitle and ensure restoration of the land acquired as well as compensation for any structures dismantled. Salvageable items could be claimed by the owners upon dismantling of the structures.
- It was clarified that all replacement land will be similar (in terms of accessibility, water and electricity) in accordance with the Land Act (Chiwog then Gewog then Dzongkhag). A Land Committee will be formed to find replacement land.
- The creation of the ESCROW account was explained, wherein cash compensation would be held in an Escrow account until the final and valid transference of Thram ownership.
- The GRM process was explained in detail and the notification along with contact information of the relevant officers was shared and posted on the notice board.
- Majority preferred Land for Land while those with less than 10 decimals of land preferred cash compensation. None indicated an interest in the mixed mode of compensation.

Total participation: 25 (15 male and 10 female)

#### **C. Tsamang, Mongar**

Date: 26/11/2024

Time: 9:00 am – 12:30 pm

- ✓ Information was provided on the background and the objectives of the session as a consultation and information disclosure meeting with the Project Affected People (PAP) while relating it back to previous consultations held.

- ✓ Presentation included - Project description, detailed description of where the impacts would be using Google Maps, SEP, key findings of the socio-economic survey, GRM, draft LALRP, cut-off date and Q & A Session.
- ✓ To ensure that the consultation could be understood by all participants, the presentation was delivered in Dzongkha and translated in Sharchopkha and Kurtoepkha.
- ✓ Concerns raised and clarified were regarding new road, power lines, blasting, impacts on private land, training and compensation.

#### Takeaways:

- Recommendation for PAPs to be present during the time of survey for the construction power line for which they would be given prior notice.
- Tunnelling works in the HRT was explained and they were informed that an inventory of houses would be maintained to ensure compensation for houses impacted by blasting would be provided.
- Cut-off notification was signed by the Gup in the presence of witnesses and posted on the notice board.
- For one affected plot, if the land is found unviable for cultivation, this could be submitted for review by the project, however, the land should be too small to be viable for cropping. It was suggested that the PAP explore possible government land adjoining the existing land (Gup confirmed that there is government land).
- The women are planning to start an agriculture and livestock cooperative, and they would like to have trainings in chips making and trainings needed for their cooperative. The training must be relevant to the project and enhance the livelihood of APs.
- The GRM process was explained in detail and the notification along with contact information of the relevant officers was shared and posted on the notice board.
- Majority preferred Land for Land while those with less than 10 decimals of land preferred cash compensation. None indicated an interest in the mixed mode of compensation.
- Some of the discussion points are to be discussed with the management for further action (new road connecting Adit 3 & 4, trainings).

Total participation: 26 (9 male and 17 female)



## APPENDIX 2: Maps of Project Area

Figure 1: Layout of Chiwog boundaries

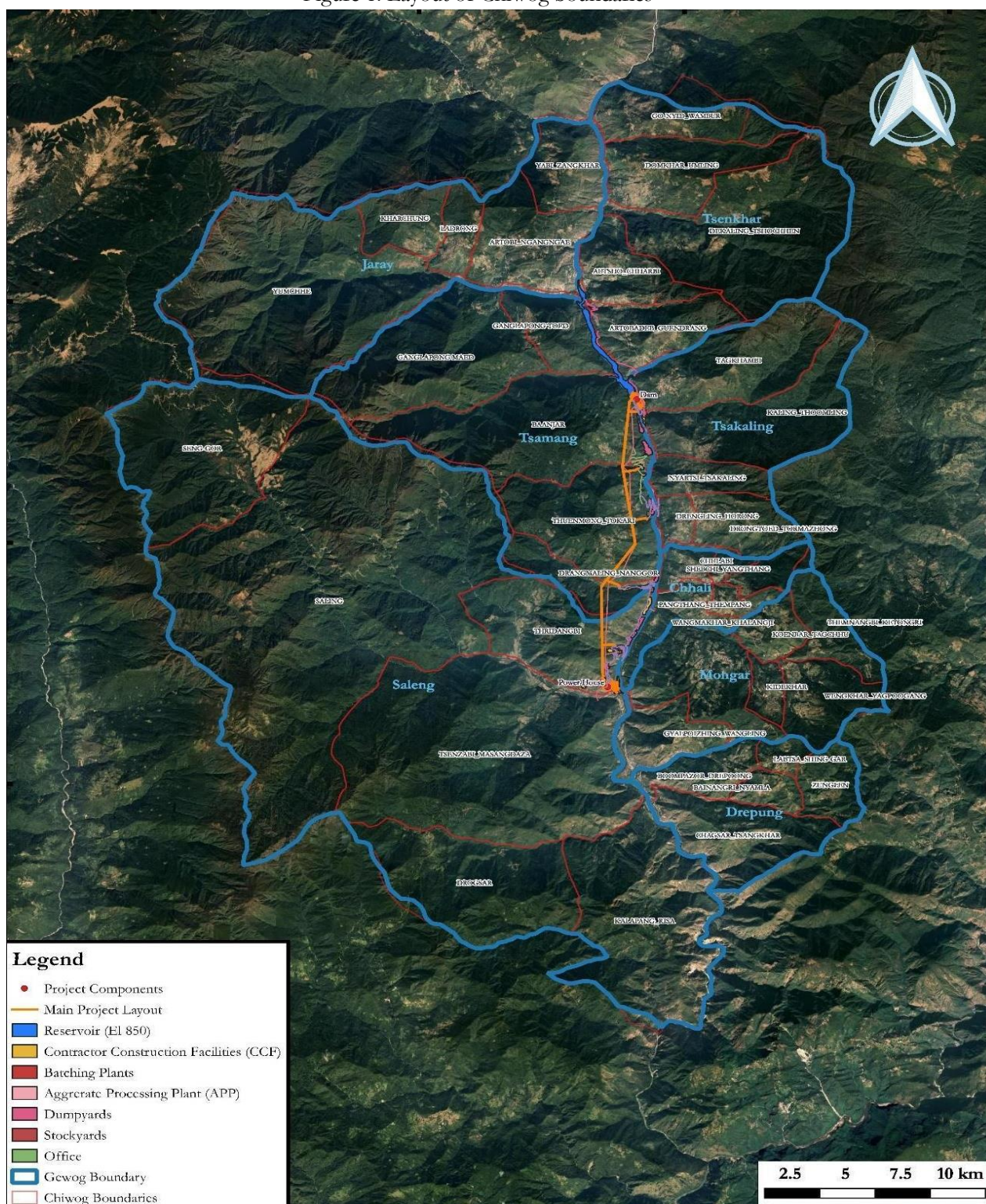




Figure 2: Project layout and settlements







<b>GRAND TOTAL # of Plots Affected in Lhuentse and Mongar</b>	<b>58 (after deduction of the same plots being affected by more than one project components)</b>
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#### **APPENDIX 4: No Objection/Public Clearance**

The clearance from the PAP as well as the Gewog administrative clearances is attached externally as “8211408\_DOR HPP\_LALRP\_Appendix 4: No Objection Public Clearance”.