

RP1417

**Resettlement Policy Framework
for
Bhutan Sustainable Financing for Biodiversity
Conservation and Natural Resources
Management**

Bhutan Trust Fund for Environmental Conservation

March 2013

1. Introduction

The proposed project is consistent with the GEF strategy under GEF 5 “Improve Sustainability of Protected Area Systems” which supports the objectives of improving the sustainability of the protected areas located in the high altitude northern areas (HANAS) landscape of Bhutan and improving the long term financial sustainability of these protected areas. The project will work through the existing Bhutan Trust Fund for Environmental Conservation (BT FEC) to improve its operational effectiveness, transparency and capacity to manage funds required for management of the HANAS landscape, and more importantly become an effective instrument for sustainable financing for biodiversity conservation in Bhutan as a whole.

The HANAS landscape occupies around 1,500,000 hectares consisting of three protected areas (Map 1), intervening biological corridors, agricultural lands and village settlements, alpine grazing lands and reserved forestlands. Within the HANAS landscape, the project will support efforts to expand and improve the management effectiveness of three existing protected areas and intervening forest corridors through review and update of existing management plans, zonation, monitoring of critical species, research, inventory and surveys and engagement of local communities in habitat management and community stewardship. It will also support efforts to reduce negative impacts on productive sectors and community actions, particularly outside the protected areas and support mainstreaming of biodiversity in local and sector policies and programs through targeted capacity building, documentation and dissemination of best practices, and highlight the contribution of biodiversity to ecotourism, and livestock and forest management.

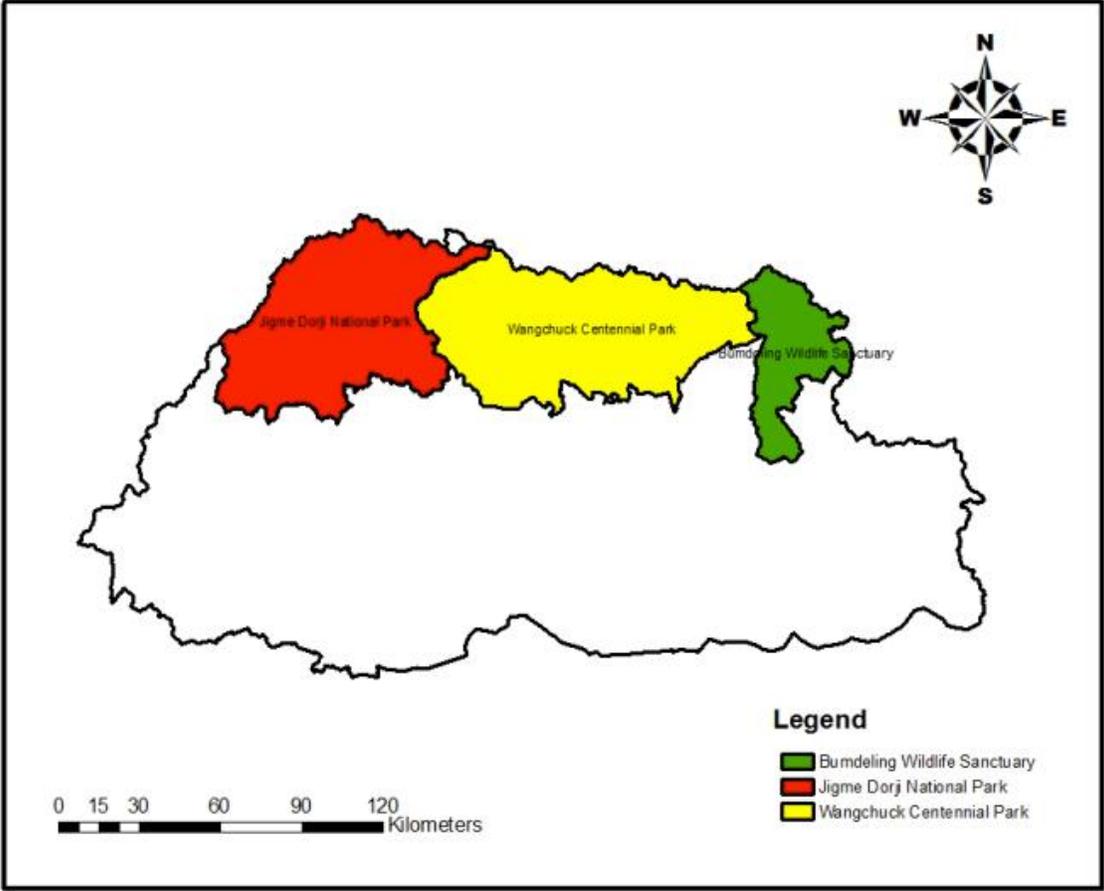
The project will also support improved agriculture and sustainable land and grazing management interventions to arrest land and forest degradation and productivity losses and improve local socio-economics. Through these efforts, the project will help reduce pressure on existing forest resources, in particular the broadleaved forests through targeted interventions in protected areas, alpine meadows and agricultural lands and support good management practice in existing forests (SMF/REDD+), improve a range of service through SFM and even encourage the application of payment of ecosystem services in selected areas. The results emanating from the investments on the ground and experiences will provide a platform for generating national efforts and building capacity to further strengthen protected area and sustainable land, grazing land and forest management in the country.

1.1 Project Area Profile

1.1.1 Location

The project area would consist of 27 Gewogs in ten Dzongkhags of north western, north central and North eastern Bhutan including Paro, Thimphu, Punakha, Wangdue, Gasa, Bumthang,

Trongsa, Trashi Yangtse, Mongar and Lhuntse. Map 1 below shows the project location (ten dzongkhags and 27 gewogs that will be within the 3 protected areas). The specific gewogs map of the project area is shown in Annex 3.



Map 1. Showing the location of the project area

1.1.2 Objective

The primary objective of the Project is to improve the operational effectiveness and sustainability of BTFEC, which has a long history and experience in financing grants for conservation activities in Bhutan.

This objective would be achieved by improving conservation management of the high altitude northern areas landscape, mainstreamed conservation and sustainable forest and natural resources management approaches and in the selected three National Parks. Sustainable community grazing and land management would be improved based on set criteria. Mainstreaming of conservation and sustainable forest and natural resources management approaches would be developed through improved capacity building and development of plans and policy. Employment opportunities would result from community engagement in various

activities such as non-farm income generating activities. The composition of projects would be governed by the provisions contained in the 10th Five-Year Plan (2008- 2013) and anticipated provisions under the forthcoming 11th Five-Year Plan (2013-18).

1.1.3 Project Components

The project has three main components:

Component 1: Enhanced operational effectiveness and sustainability of the Bhutan Trust Fund for Environment Conservation

The objective of Component 1 is to support BTFEC in carrying out the update and implementation of the Strategic Plan by adopting more modern governance and business practices and ensuring the adequacy of its resources and tools going forward. With a view to its operational effectiveness, BTFEC's Board has (will have) endorsed the following improvements: (i) increase and diversification of BTFEC Board representation; (ii) prioritization of interventions in the seven program areas of the Strategic Plan 2010-2015; (iii) preparation of a sustainable plan for the Protected Area (PA) network; (iv) creation of a system to monitor the impacts of BTFEC's grant program and institutional performance; (v) modernization of the grant-making process towards efficiency, equity and transparency; (vi) review of options for BTFEC's future investment management.

To ensure that BTFEC has the resources and tools for implementing change, its Board agreed on the following changes: (i) recruitment of additional staff to share the numerous operational responsibilities and tasks; (ii) engagement of short-term consultants for legal advice on changes to BTFEC's structure, preparation of a sustainable financing plan for the PA system and introduction of modern operating systems and processes; and (iii) development of new business lines to expand BTFEC's management of funding for conservation initiatives.

Specifically, Component 1 will finance training, technical assistance, equipment and data management systems and limited piloting to implement the following activities.

- Updating and modernizing the Royal Charter to align it with good practices on non-profit governance
- Supplementing the Royal Charter with bylaws to codify the Board's rules and practices
- Prioritizing grant selection on the basis of needs, risks and opportunities
- Modernizing grant-making through improvements to the grant award process, grant documentation, Monitoring and Evaluation of the grant portfolio and dissemination of experiences and lessons of grant implementation
- Updating the Operations Manual to clarify or simplify procedures for grant selection, grant-making and other areas of program management as required
- Conducting a review of options for future arrangements on managing investments

- Improving institutional and staff capacity for grants and financial management through staff recruitment, training and external technical support
- Developing a fund raising strategy and testing new financial instruments that will allow for the generation of non-budgetary resources for self-sustaining of conservation activities

Component 2: Improved conservation management of the high altitude northern areas landscape (including protected areas and associated alpine meadows, forests and agricultural ecosystems)

This component aims to demonstrate BTFEC's conservation outcomes and enhance its grant-making operations. To that end, BTFEC will finance grants – on a competitive basis – that would improve conservation management in the high altitude northern area ecosystems of Bhutan. The conservation grants for the targeted areas will be processed and approved through BTFEC's grant management system. In accordance with BTFEC's grant award process, the maximum grant amount is US\$300,000 and grant proposals are considered by BTFEC's Board twice a year.

Two types of grants will be provided under Component 2. The first type will support the testing and implementation of appropriate management strategies and proactive plans to anticipate and address threats to the protected area and biodiversity corridor complexes in HANAS. This would enable the conservation of broadleaf forests and other ecosystems within HANAS and help maintain their ecological integrity and the economic and ecological services they support. The activities that would be supported would include: (i) review and update of existing management plans for protected areas and zoning and enforcement of land-use regulations; (ii) monitoring of species of special concern, especially tigers and other charismatic species; (iii) research on critical species; (iv) engagement of local communities in habitat management and community stewardship and improved livelihoods and incomes; and (v) improved staff training and capacity for conservation. Hence, the grants would finance expert services (including community mobilization), training, workshops and equipment.

The second type of grants will support a range of community activities that aim to strengthen the adoption of: (i) sustainable agricultural land use and grazing management practices; (ii) co-management of forests and alpine meadows; and (iii) community-based ecotourism and value addition products. Grants of this type would finance goods, small works, community mobilization and training as well as other consultancies.

As part of this this component, the BTFEC is targeting to bring at least three protected areas covering 1,000,000 hectares of forested land under improved management and protection to increase/stabilize the population of selected key floral and faunal species. These would include the following activities:

- Review and update of existing management plans for protected areas
- Zoning and enforcement of land-use regulations;

- Monitoring of species of special concern, especially tigers and other charismatic species; research on critical species;
- Engagement of local communities in habitat management and community stewardship and improved socio-economics and incomes; and
- Improved staff training and capacity for conservation.

This component is also aiming to pilot rangeland (alpine meadow) co-management with herders through improved management planning, increase productivity for domestic livestock by re-seeding degraded natural rangeland with native grass species and developing improved pasture on private/government lease land (on a limited scale) in the vicinity of permanent village for better livestock management, rotational grazing, breed improvement, productive development and value addition. At least 2,500 hectares of alpine meadows to bring under sustainable grazing management practice and reduce impact on adjacent forests areas with the involvement of high altitude local community living in the HANAS areas.

The grants will also support a range of community activities to strengthen the adoption of sustainable co-management of forests and agricultural lands in non-core wildlife habitats to provide improved and diversified agricultural and forests products and incomes to local communities and engage them as conservation stewards. This would be achieved through biophysical and socio-economic mapping to identify causes and incidences of land degradation, identification of ‘hot spots’ of land vulnerability, community decision making and prioritization of Sustainable Land Management (SLM) practices and investments, training and implementation and community monitoring and subsequent mainstreaming of SLM practices into gewog level planning. It is expected cover at least 2500 hectares of vulnerable agricultural lands under sustainable community land management and reduce impact on adjacent forest land. The project will support regeneration of selected degenerated forest lands outside of protected areas and help improve incomes to communities from collection and marketing of non-timber forests products and community management of critical sub-watersheds to protect water sources and critical forest resources based on existing experiences of community based forestry management of the country.

Lastly, this component would enable the conservation of broadleaf forests and other ecosystems within HANAS and help maintain their ecological integrity and the economic and ecological services they support. At least 100,000 hectares of forest lands under sustainable management (reduced pressures) and provide supplementary income from community-based ecotourism and use of Non Timber Forest Products (NTFPs) with value addition.

Component 3: Mainstreamed conservation and sustainable forest and natural resources management approaches in policy, strategy and plans:

The lessons from the management of PAs and the HANAS landscape derived from the

implementation of Component 2 will inform policies pertaining to key natural resource sectors, including watershed management, upland agriculture and livestock, forestry, wildlife conservation and also infrastructure development. Such learning and experience would contribute to the development and improvement of existing Natural Resources Management (NRM) guidelines and provide examples of good practices in key NRM sectors and support new models of integrating protected areas, sustainable grazing and agricultural management approaches into sector and geog (sub-district) level planning to prevent the loss and fragmentation of forests and critical habitats. It will facilitate the replication of the lessons and good practices more broadly throughout the country. The implementation of activities under this component will also be supported through BTFEC's competitive grant-making.

At this stage of project preparation, it is envisaged that the activities under this component will include: (i) gap analysis of policies and guidelines on conservation management; (ii) high level exchange program with countries that implement high impact conservation policies; (iii) workshops for implementing agencies to share lessons and experiences; (iv) stakeholder meetings toward mainstreaming conservation and NRM into national policies; (v) local community consultations; (vi) dissemination of good practices, results and outcomes stemming from the implementation of the grant-funded activities.

1.2 Description of Project Area Environment

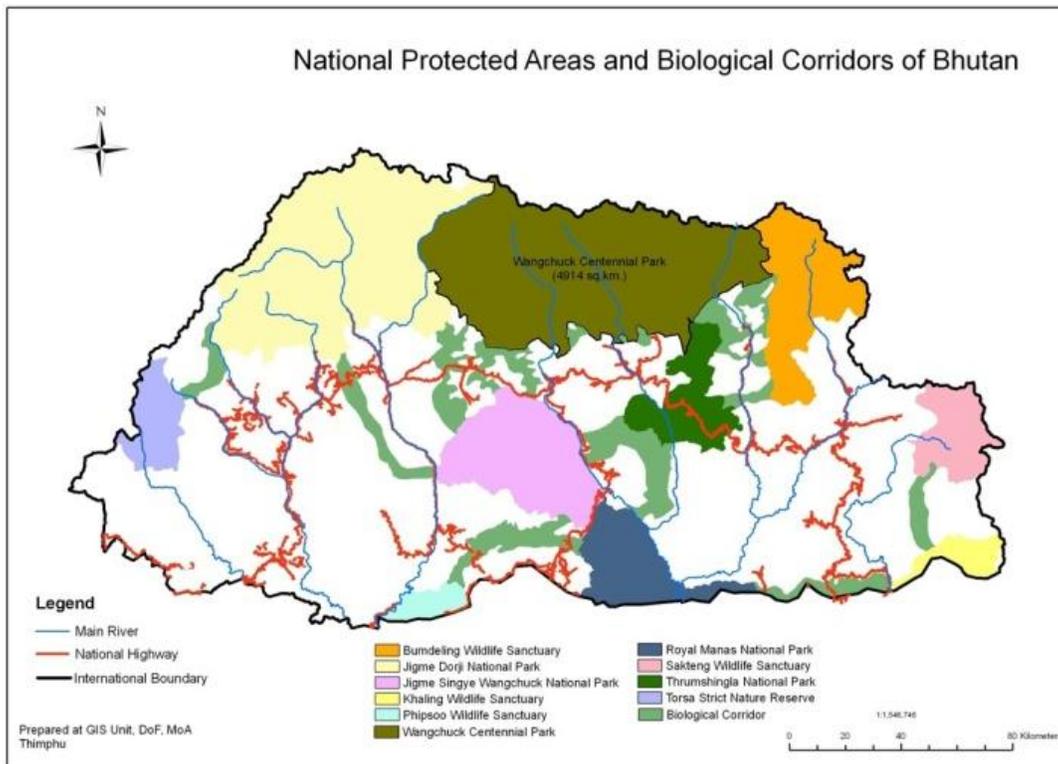
1.2.1 Country Overview

Bhutan is internationally reputed for its well-preserved natural environment. Stable political leadership, low population pressure, cautious and environmentally sound development policies have delivered the country into the 21st century with much of its biodiversity and natural environment intact. Land use surveys completed by the MoA in 1995 revealed that a good 64.4 per cent of the country was under forest cover (72.5 per cent when scrub forest is included).

Land use in Bhutan is predominantly forests (72.5%) and agriculture (7.7%). The pasture and alpine meadows cover 3.9% of land. From 1958 to 2000, there was an increasing trend in the major land uses - forestry, agriculture and pastures. Shifting cultivation, although declining, still forms an important land use within the arable agriculture. A significant proportion, i.e. 2.4% of the total area is under landslips and erosion, which reflects the fragility of the mountain areas. Snow/glacier and rock outcrops combined constitute about 12.5% of the land area. Settlement accounts only for 0.1% but it is fast growing due to urbanization.

The country's extreme altitudinal variation has created a corresponding range of climatic conditions varying from hot and humid tropical/ subtropical conditions in the southern foothills to cold and dry tundra conditions in the northern mountains. This is further modified by latitude, precipitation, slope gradient, and exposure to sunlight and wind, giving each valley and often opposite-facing slopes a unique set of climatic conditions. As a result of the wide variation in

macro and micro-climatic conditions, there is great diversity of vegetation within the country's small Dzongkha-graphical area, which forms eleven different vegetation zones in the country. Extensive forest cover and the wide range of vegetation zones have endowed Bhutan with one of the most spectacular biodiversity in the world. Its diverse ecosystems harbor more than 5,400 species of vascular plants, 770 species of birds and 170 species of mammals. Wild fauna includes several globally threatened species. In keeping with its rich biodiversity and the need to maintain it for sustainable development, the country has designated a vast protected area system – a network of four national parks, four wildlife sanctuaries, and a strict nature reserve (see Map 2). The system, together with the connecting biological corridors, occupies more than 35 per cent of the country's area and encompasses representative examples of all major ecosystems found in the country – from subtropical forests and grasslands in the south to alpine scrubland and meadows in the north – making Bhutan one of the most comprehensive and robust national parks management in the world.



Map 2. Protected areas and biological corridor of Bhutan

1.2.1 Profile of the project area

1.2.2.1 Jigme Dorji National Park

Jigme Dorji National Park (JDNP) extends across 4 dzongkhags encompassing 14 gewogs. Gasa dzongkhag lies entirely within the park with Punakha, Paro and Thimphu falls partially within

the Park jurisdiction. Approximately, 1,172 households with 6,956 people residing within the park administrative boundary have user rights on the natural resources for daily living. In addition, there are 1,682 households with total population of 8,702 residing adjacent to the park boundary and they are also dependent on the natural resources for their domestic needs. Although, it difficult to specify the population growth trend, discussion with local communities suggest that the local population is increasing due to improved health facilities and nutritional diets from enhanced income generation from *Cordyceps*¹ and livestock products (consultative meeting analysis, 11-16, July, 2012, draft report).

Table 1: Number and distribution of human population in the Jigme Dorji National Park

Sl. No.	Gewog	Dzongkhag	No. of Households	Human Population
1	Kawang	Thimphu	40	240
2	Lingzhi	Thimphu	78	564
3	Naro	Thimphu	56	299
4	Soe	Thimphu	28	255
5	Goenkhamé	Gasa	119	708
6	Goenkhatoe	Gasa	60	440
7	Laya	Gasa	172	1,200
8	Lunana	Gasa	12	142
9	Goenshari	Punakha	129	607
10	Kabjisa	Punakha	85	425
11	Toewang	Punakha	105	525
12	Chhubu	Punakha	150	750
13	Doteng	Paro	30	150
14	Tsento	Paro	108	651
	Total		1,172	6,956

Source: JDNP conservation strategic plan 2012

Socio-Economic practices

Within the JDNP, the socio-economic practices of the local community can be divided into two categories based on their farming system, altitude and locality, viz. one category of the community purely dependent on the yak herding and other category largely subsists on crop production and livestock rearing.

¹ The *Cordyceps* mushrooms have a long history as medicinal fungi. The earliest clear record is a Tibetan medical text authored by Zurkhar Nyamnyi Dorje in the 15th Century outlining the tonic propensities of Yartsa gunbu (*Cordyceps sinensis* renamed now to *Ophiocordyceps sinensis*), especially as an aphrodisiac. Reference: Winkler, D. 2008. Yartsa Gunbu (*Cordyceps sinensis*) and the Fungal Commodification of the Rural Economy in Tibet AR. Economic Botany 63.2: 291–306.

Of the total of 1,172 households residing within the park, 499 households, which translates to about 42.6% depends entirely on yak rearing and they are known as Bjobs (highlanders or semi-nomad) of the western Bhutan. Due to the cold climatic conditions and the short vegetative period, agricultural crops are very limited. Small-scale crop productions like barley, buckwheat, mustard, wheat, turnips, radish, etc. are practiced. The economic main stay of the nomadic communities is the yak rearing. There are about 16,222 yaks², 1,071 horses and 105 mules supporting the socio-economic of 3,240 people living in the extremely harsh climatic conditions within JDNP. With legalization of *Cordyceps* collection in 2004, these communities were provided with an additional income opportunity and it has become one of the main sources of livelihoods for these people. Also, the local community of Lingshi gewog accrues substantial economic benefits from medicinal plants other than the *Cordyceps* as it is found abundantly in their alpine meadows. Annually, the local community harvest about 3,247 kg of medicinal herbs³ from the forest and are being supplied to Institute of Traditional Medicines in Thimphu.

The local communities residing in the lower areas of the park largely depends on crop production and livestock rearing. The rice is the major crop cultivated by the community and its annual production in 2010 was 6,092 tonnes⁴. Other crops grown in the areas are wheat, barley, millets, buckwheat and maize in small quantities. Alternative income generating cash crops grown by the local communities include potatoes, chilly, radish, turnip, cabbage, beans, spinach, pumpkin and cucumber. Local communities of the lower areas also produce some fruits such as apple, peach, pear, banana, plum, mandarin, and guava mostly for their self-consumption. Livestock includes 7,332 cattle, 1,089 horses and 448 mules. With improved accessibility to markets, non-traditional off farm economic activities such as wage labour, contract work, and small business are increasingly becoming important socio-economic sources. Remittances from family members in public and private sector services complement income in some households.

Land use and tenure

JDNP has the maximum concentration of villages inside the park with 14 gewogs and the total land area is 7,457.3 km² (745,730 ha) of which 0.54% is agricultural land. The agriculture is the most dominant land use, with wetland⁵ and dryland⁶ as main form of crop cultivation. About 2.6% of the households within the park do not hold any cultivable land and is mostly dominant in the Naro gewog. Following are some of the land use figures (RNR Statistics 2009, MOAF):

- 1,963.8 acres (795 ha) of dryland and 3,401.1 acres (1,376 ha) of wetland are operational⁷;

² 2010, Department of Agriculture, livestock census 2010 and gewog office

³ field visit to gewog office and ITM Thimphu

⁴ Agricultural statistic report 2010, Ministry of Agriculture and Forests

⁵ Wetland is used normally for cultivating rice.

⁶ Dryland is used for kitchen, cash crops, etc.

⁷ “Operational” means currently being used for cultivation

- 47.4% of the households own wetland, 67.9% dryland and 6.4 percent cash crop land;
- 39.3% of the households hold less than an acre⁸ of agricultural land, 31.6% between 1 and 3 acres, 13.8% between 3 and 5 acres, 6.7 % between 5 and 10 acres and 1.4 % more than 10 acres;
- 755.1 acres of wetland are owned and operated by the owner, 144.5 acres leased out, 193 acres leased in and 95.4 acres left fallow;
- 4,334.4 acres of dryland are owned and operated by the owner, 204.1 acres leased out, 313.3 acres leased in and 3,683.4 acres left fallow.

1.2.2.2 Wangchuck Centennial Park

In aggregate, there are 1,601 households with 10,588 people living the in the park distributed across 10 gewogs representing five different ethnic communities⁹. The community of Wangchuck Centennial Park (WCP) can be classified into two main groups based on the farming practice (viz. yak herding community and non-yak herding community). The yak-herding communities represent about 12% of the households, while the rest are farming (non-yak herding) communities. The latter are permanently settled either within the park or along the periphery of the park boundary, especially in the temperate forest zone.

Table 2: Number and distribution of the human population in WCP and buffer zone.

Sl.No	Gewog	Dzongkhag	Total household	Human population
1	Chhokhor	Bumthang	637	5800
2	Tang	Bumthang	33	182
3	Lunana	Gasa	141	708
4	Sephu	Wanduephodrang	283	1397
5	Dangchu	Wangduephodrang	105	578
6	Kazhi	Wangduephodrang	44	220
7	Nubi	Trongsa	75	405
8	Khoma	Lhuntse	66	317
9	Gangzur	Lhuntse	55	220
10	Kurtoe	Lhuntse	162	761
	Total		1061	10588

Source: Wangchuck Centennial Park – Conservation Management Strategic Plan 2012-2017

Socio-Economic practices

Majority of the people living in and periphery of the WCP depends on yak herding and livestock rearing. Yak herders do not possess agricultural fields, and rely entirely on yak herding. They have customary grazing rights over areas that have been grazed by their families for generations.

⁸ 1 acre = 0.4 ha approximately

⁹ Wangchuck Centennial Park – Conservation Management Strategic Plan 2012-2017 (draft)

The farming community depends on the subsistence production from agricultural land, supplemented by livestock. The crops and cropping pattern varies among *gewogs*, with a variety of crops from wheat, barley, buckwheat (sweet and bitter), paddy, mustard, potato and vegetables being cultivated depending upon the altitude of the villages. Over the years, crops also have changed in response to crop raiding by animals and market forces. For instance, potato is now abundantly cultivated in Tang and forms a major source of the economy, while buckwheat and wheat, which were the primary crops about 20 years ago have been reduced due to crop raiding by bears, lack of labour to guard crops, and because of a more lucrative market for potatoes, which can be sold in Phuentsholing. This indicates that crops and cropping patterns are very much driven by number of forces, and can even respond and adapt to climate change trends.

In Chhokhor *gewog*, the agricultural land belongs to the *threp/mein* (non-yak herding) community, but in Lunana every household possess some dry land to cultivate barley, (the staple crop of the area), and vegetables. In Sephu and Chhokhor *gewogs*, yak herders do not own any agricultural land except the land to build their house.

The community used to grow cereals in *tseri*¹⁰ lands; however, after the government imposed a ban on *tseri* cultivation by the Land Act of 2007, people no longer grow cereal crops. Some communities, especially in Lhuntse *dzongkhag*, are engaged in share-cropping to supplement the cereal deficiency. The division of yield between the land owners and share-croppers differ from *gewog* to *gewog*. In some villages the croppers are unwilling to undertake share-cropping because of labour and crop raiding problems. Overall, share-cropping has decreased in almost all the *gewogs*.

A yak dominates the livestock population in WCP. Livestock numbers per household are highest in Lunana, Chokkhor and Sephu *gewogs*. The yak herders have practiced transhumance for years, moving their yak herds from the higher elevations in the summer grazing areas to lower elevations in the winter, to utilize available grazing land and avoid the extreme winter conditions in higher altitudes. Yak herders graze their livestock in the WCP during summer months, between the fourth and ninth Bhutanese months. Herders have customary grazing rights within the entire WCP, except for the rocky outcrops and snow-peaked mountains. Hence they are very much dependent upon the WCP for their livelihoods *vis-à-vis* yak herding.

In addition to yak herding, the *Cordyceps* collection has become a major source of income for the communities of WCP. Maximum quantity of *Cordyceps* collection this year was from Chhokhor, Dangchhu, Sephu and Lunana which falls under jurisdiction of WCP where 1,578 households collected a total of 131.53 kg of *Cordyceps*, which translated into a cash income of Nu. 97.5 million or US \$ 1.3 million

¹⁰ *Tseri* – Shifting Cultivation

Land use and tenure

10 gewogs within the WCP has a total land area of 11,145.9 square kilometers (1,114,590 ha) of which 0.82% is used as agricultural land. Most of the agricultural areas are in the buffer zone, with very little agricultural land within the park. Dry land agriculture holdings are highest in Tang gewog and lowest in Kazhi gewog. Wetland holdings are similar in all gewogs, the exception being Tang gewog, which does not have any wetland agricultural holdings. Dry land agriculture cultivation dominates the land use in all the gewogs. 1.4 % of the total households do not own any agriculture land for cultivation. Following are some of the land use figures (RNR Statistics 2009):

- 3,455.6 acres of dryland and 480.9 acres of wetland are operational;
- 45.6 % of the households owned wetland, 89.2 % dryland and 0.8 percent cash crop land;
- 29.3 % of the households hold less than an acre of agricultural land, 39.9 % between 1 and 3 acres, 13.2 % between 3 and 5 acres, 8 % between 5 and 10 acres and 9.6 % more than 10 acres;
- 755.1 acres of wetland are owned and operated by the owner, 144.5 acres leased out, 193 acres leased in and 95.4 acres left fallow;
- 4,334.4 acres of dryland are owned and operated by the owner, 204.1 acres leased out, 313.3 acres leased in and 3,683.4 acres left fallow.

1.2.2.3 Bumdeling Wildlife Sanctuary

Bumdeling Wildlife Sanctuary (BWS) extends across three dzongkhags. In aggregate, there are 1,005 households with 5,280 people living in the park distributed across 3 gewogs. The average population density in three gewogs within the park is 4 people per square kilometer with maximum population density of 9 people per square kilometer located in Sherimung gewog under Mongar dzongkhag. Linguistically, all the three gewogs have different dialects of their own; however, the people of Bumdeling and Khoma have similar dialects and can be understood by both the communities. Two gewogs seemed to have some ancestral connection and takes about a day walk to get into either of the gewogs. Similarly to gewogs in other two protected areas, the population seemed to be increasing annually due to improved health facilities and nutritional diets from enhanced income generation from livestock and agricultural products as popped up during the discussion with local communities in consultative meeting (consultative meeting analysis, 26 July – 1st August, 2012, draft report).

Table 3: Number and distribution of the human population in Bumdeling National Park

Sl. No.	Gewog	Dzongkhag	No. of Households	Human Population
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1	Khoma	Lhuntse	266	2824
2	Sherigmuhung	Mongar	393	2750
3	Bumdeling	Trashi Yangtse	346	2530
	Total		1005	8104

Source: Gewog office 2012, during the field visit

Socio-economic practices

Local communities of 3 gewogs primarily subsist on crop production and livestock rearing. The annual agricultural products including vegetable and fruits accounts to about 1,909 tonnes of which, rice is the single most cereal produce followed by maize (RNR Agricultural Statistics, 2010). Out of 3 gewogs, Khoma seems to be producing more agricultural products than other 2 gewogs. Local women of Khoma are known for their skills in weaving textiles made of silks (*kishuthara*), and weaving constitutes a major source of income in many households. Livestock population includes 5,200 cattle, 554 horses and 77 mules. A small portion of the community also own yak and derive their income from the yak herding. The community of Bumdeling and Khoma make additional income from *Cordyceps* harvesting but the income generated per household is very low compared to other *Cordyceps* collecting community. A total quantity of *Cordyceps* collected by the community of Bumdeling this year was 1.56 kg and the revenue generated was Nu.573,270.5 or US \$ 10,236.00. Like any other communities in Bhutan, off farm economic activities such as wage labour, contract work, small business are increasingly seen as an important sources of socio-economic in addition to little remittances from family members in public and private sector services to complement the income in some households.

The major agricultural crops grown in three gewogs are paddy, maize and barley with small quantity of other cereals like millet, buckwheat, and mustard. Sherimung gewog seems to be suitable for the growth of all the cereals and vegetables as indicated in the RNR Agriculture Statistics of 2010.

Land use and tenure

Three gewogs within the BWS has a total land area of 1,084.7 square kilometers (108,470 ha) of which 0.73% are used as agricultural land. Dry land agriculture cultivation dominates the land use in all three gewogs. Only about 13% of the total agricultural land is being used as wetland by the local community of 3 gewogs. About 30 households in Sherimung gewog is either without agricultural land or with very limited acreage of land for cultivation. Following are some of the land use figures (RNR Statistics 2009):

- 1,523 acres of dryland and 520.90 acres of wetland are operational ;

- 66.8 % of the households owned wetland, 90.6 % dryland and 0.8 % cash crop land;
- 25.4 % of the households hold less than an acre of agricultural land, 51.3 % between 1 and 3 acres, 17 % between 3 and 5 acres, 5 % between 5 and 10 acres and 1.3 % more than 10 acres;
- 312 acres of acres of wetland are owned and operated by the owner, 62.3 acres leased out, 43.5 acres leased in and 103 acres left fallow;
- 922.7 acres of dryland are owned and operated by the owner, 36.1 acres leased out, 77.3 acres leased in and 486.7 acres left fallow.

2. Potential Social Impacts of the BTFEC overall grant program and the project

While the project is classified as category B, the overall project outcome is expected to be overwhelmingly beneficial from environmental and social perspectives. The proposed project activities will likely to have limited adverse social impacts. The main impact that may take place is livelihood impacts as a result of land-use changes to ensure sustainable agriculture and livestock practices. There are also concerns such as cultural disintegration and leading to loss of rural values and possible migration due to increased income from the project.

Overall impacts

The Component 2 of the project, which supports the BTFEC's grant program where activities such as promotion of improved breeds of livestock and sustainable agriculture and tourism will be financed, it is important that the program design and implementation follows a participatory and inclusive process to ensure the above impacts are managed to the level acceptable to the beneficiaries and that the most needy and vulnerable households equally benefit from the project. Therefore, the issues such as gender, social inclusion, vulnerable households and community consultation and participation need to be carefully considered in the planning and implementation process.

The preliminary analysis of project components indicated that Component 2 of the project where financing will be provided for the BTFEC grant program will likely to have social impacts, which has been summarized in Table 3.

Table 2: Component 2 activities and their environmental and social impacts

Activity	Environmental and/or Social Impacts	Magnitude of Impacts
Zoning and enforcement of land-use regulations	Changes in land-use by communities that may have livelihood impacts	Moderate
	Land use information in place that can be used to develop solutions for natural resource management issues	High
	Reduced land degradation	Moderate
	Opportunity to develop financial or legal incentives that can lead to proper land use decisions, or eliminate one-sided central planning leading to over-utilization of the land resources	High
	Improve long-term quality of the land for human use, the prevention or resolution of social conflicts related to land use, and the conservation of ecosystems of high biodiversity value	High

Monitoring of species of special concern, especially tigers and other charismatic species and research on critical species	Improved knowledge on behaviours of fauna, particularly focused on human-animal conflicts and opportunity to develop human-animal co-existence models	Moderate
Engagement of local communities in ecosystem management and community stewardship	Opportunity to embody responsible planning and management of natural resources with community participation and ownership	High
	Improved status of ecosystems that can sustain conservation needs and livelihoods needs	High
Improvements in socio-economic income	Opportunity to provide improvements to basic infrastructure needs that contribute towards social development	High
	Improved and sustained livelihoods to project beneficiaries that are acceptable to the community, the well-being of the environment and sustainability of natural resources	Moderate/High
	Inadequate attention to environmental and social concerns related to infrastructure development activities	Low/Moderate
Pilot rangeland (alpine meadow) co-management with herders	Improved resource management	High
	Increased productivity for domestic livestock re-seeding degraded natural rangeland with native grass species and developing improved pasture on private/government lease land	High
	Opportunity to pilot rotational grazing, breed improvement, productive development and value addition	High
	Reduced impacts to the adjacent forest areas	High
Adoption of sustainable co-management of forests and agricultural lands in non-core wildlife habitats and engage local communities as conservation stewards	Improved and diversified agricultural and forest products	High
	Improved incomes to local communities from collection and marketing of non-timber forests products	High
	Improved sustainable land management practices through informed decisions that will improve protection of critical sub-watersheds and forest resources	High
	Reduced impacts to the adjacent forest areas	High
	Regeneration of degenerated forest lands outside of protected areas	High
Provide supplementary income from community-based ecotourism and use of Non Timber Forest Products (NTFPs) with value addition	Improved incomes to local communities	High
	Over-harvesting of NTFPs	Low
	Increased visitation beyond the carrying capacity of the PA	Low
	Physical impacts caused by tourism-related land clearing and construction, continuing tourist activities and long-term changes in local economies and	Low

	ecologies.	
	Development of tourism facilities such as accommodation, water supplies, restaurants and recreation facilities can involve sand mining, soil erosion and extensive paving	Low

3. Social Policy and Regulations

The Land Act of Bhutan 2007

The Act established autonomous National Land Commission (NLC) ,which took over land administration from the Ministry of Agriculture. According to the Act, the function of the Commission is to lay down policies, programs, regulations and guidelines in accordance with the Act. The commission is empowered to issue *lag thram* (ownership certificate) and has the authority to register land or amend change in *thram*. The NLC is empowered to acquire land, allot substitute land and approve compensation.

To support the implementation of the Land Act of Bhutan 2007, the NLC formulated Land Rules and Regulations (2007) which define the institutional functions, procedural requirements and regulatory provisions for management of national land records, land ownership entitlements and land rights, land registration, land conveyance, land acquisition and compensation, land grants, allotment of government land, cadastral survey, documentation and mapping, land conversion, land lease, easement, and annulment of land.

Key provisions are as follows,

- a) The Government as defined in these rules shall acquire a registered land only for public interest.
- b) Any Government Institution proposing acquisition shall state the public interests for which the land is to be acquired.
- c) Acquisition of land occupied by religious monuments shall not be acquired.
- d) Land under acquisition shall be taken over only after registering the substitute land in the name of the affected landowner or cash compensation has been made to the landowner.
- e) Any Government Institution or Dratshang applying for acquisition shall be responsible to provide cash compensation or facilitate providing substitute land or both, subject to the approval of the Land Commission.
- f) A Property Assessment and Valuation Agency (PAVA) established under the ministry of finance to valuation and fixes the value of land and any other collateral property that may be acquired.
- g) The value of compensation for the land acquired including any landed property shall be as per 151 to 154 of the Land Act of Bhutan 2007.
- h) If registered land is acquired from rural areas the landowner shall have the discretion to opt for substitute land or cash compensation.
- i) The agency intending to acquire shall submit the application to the Secretariat projecting the purpose and the extent of area of land required for proposed acquisition.
- j) The Commission Secretariat shall verify and confirm the public interest of the proposed acquisition, shall arrive at a decision on the proposal, instructs the Dzongkhag/Thromde Committee to conduct and prepare a detailed report if proposal is found feasible.

- k) The Dzongkhag Committee shall serve a notice to the landowner of the government's intention to acquire land at least 120 days prior to the acquisition of the land if the Secretariat approves that the proposed acquisition may be processed.
- l) For Thromde, the Executive Secretary shall convey the intention of the Government to acquire land at least 120 days before the acquisition of land to the concerned land owner.
- m) The Dzongkhag/Thromde Committee shall prepare a detailed report, specifying the compensation to be provided, including clearance certificates under the applicable laws if substitute land is to be provided, including survey report.

Summary of the Process for Land Acquisition as per the Land Act of Bhutan 2007

Steps	Details of the Procedures	Time Required to Process
1.	Submission of application to NLC secretariat for land acquisition	
2.	Evaluation and verification of requisition by NLC	Decision within 2 weeks after receipt of the application
3.	If feasible, the Secretariat shall instruct the Dzongkhag/Thromde Committee to submit a detailed report. If not feasible, the NLCS rejects the proposal and informs the applicant, stating the reasons.	
4.	The Dzongkhag Committee shall issue a notice to the landowner of the Government's intention to acquire land.	At least 120 days prior to the acquisition of the land
5.	<p>The Dzongkhag Committee shall prepare a detailed report in the format prescribed under Annexure PLA Form (1) to PLA Form (7)</p> <p>Specify the compensation to be provided, based on the valuation of the PAVA</p> <p>If compensation includes substitute land, clearance certificates under the applicable laws such as Forest and Nature Conservation Act and Environment Act</p> <p>If Chhuzhing is to be acquired for purpose other than Chhuzhing the compliance of Chhuzhing conversion requirements prescribed under Section 166 of the The Land Act of Bhutan 2007..</p> <p>The location of the substitute land from rural area in compliance with Section 155 of the The Land Act of Bhutan 2007..</p> <p>Ensure compliance of restrictions under Section 137 of these rules</p> <p>Survey report which shall include cadastral maps indicating clearly the total area, location and identification of the land to be acquired and substitute land</p> <p>If compensation includes cash compensation the responsibility of the particular Government Institution to pay cash compensation.</p>	
6.	<p>Payment of compensation, release, and registration of acquired land substitute land</p> <p>Upon final decision the Secretariat shall Convey to Dzongkhag Committee and the landowner whose land is acquired.</p>	Transfer of land ownership and registration of acquired land in the name of the applicant within 30 days from the decision of the Land Commission
7.	<p>Release of substitute land from the Government land and register substitute land in the name of the person whose land was acquired</p> <p>Cause the applicant to make the necessary cash payment if cash compensation is decided by the Land Commission</p> <p>Ensure taking over of acquired only after compensation is provided to the Landowner</p>	Within 30 days from the decision of the Commission

Policies and Regulations on IPs and Vulnerable Peoples

An overview of available literatures shows that Bhutan has not defined Indigenous People (IP) and Vulnerable Community (VC) officially and there is no legislation specifically tailored for IPs, minor ethnic groups or vulnerable groups.

However, Bhutan's overall development philosophy is based on all-inclusive, nondiscriminatory development, which is gaining further ground with the growing impetus on decentralization. The national decentralization policy is geared towards enhancing local governance and promoting broad-based participation at the local community level. While *geogs* are officially considered the smallest unit for planning and administration of development programmes, local activities and priorities emanate from the *chiwog*¹¹ level. Each *chiog* is represented in the GYT (Geog Yargye Tshogchung or Block Development Committee) by its *tshogpa* (Representative of a *chiwog*). The *tshogpa* convenes *chiwog* meetings to discuss and draw consensus on local activities and priorities before submitting them to the GYT.

World Bank Operational Policy 4.12 on Involuntary Resettlement.

The proposed project will not permit any involuntary resettlement and involuntary land acquisition. Even though involuntary land acquisition and resettlement of individuals and/or families will not take place due to project activities, co-management activities, ecosystem restoration and improved land use and conservation planning are likely to affect land use patterns of the communities. This will have an impact on their livelihoods. As RGOB procedures on land acquisition and resettlement has not been assessed to be equivalent to the World Bank's operational policy on involuntary resettlement, OP 4.12 will be triggered, and a Resettlement Policy Framework (as part of the Framework of this project) establishes the process by which members of potentially affected communities will be consulted and participate in design of project activities and provide mitigatory/compensation measures as well as restoration of socio-economics for those affected that are acceptable to the communities. This resettlement policy framework will outline the policy, measures for restoration of livelihoods, compensation and other assistance measures for affected persons, as well as required institutional arrangements. An entitlement matrix will be prepared that will act as a guide to compensation and assistance to those persons affected as well as propose a grievance redressal mechanism.

4.3.3.3 Adequacy of environmental and social management by RGOB

The composite RGOB environmental clearance processes, in principle, are consistent with World Bank environmental and public disclosure requirements. However, all activities with an impact on the environment under the proposed project will be subjected to some form of an

¹¹ A groups of households for which a *tshogpa* is responsible. Larger villages are usually divided into two or more *chiogs* while smaller villages constitute a single *chiog*.

environmental and social analysis, prior to disbursement of funds. The extent of the analyses will depend on a given activity; the site selected and will be based on the screening process.

The RGOB's Environmental Assessment Act, 2000 and Regulation for the Environmental Clearance of Projects, 2002 will ensure if project activities are likely impact the environment in a negative manner, necessary mitigation measures are in place. Also, Forest and Nature Conservation Act, 1995, Forest and Nature Conservation Rules, 2006, Forest Policy, 1974 and 1979 and Biodiversity Act, 2003 of Bhutan makes it mandatory to address issues in natural habitats and therefore OP 4.04 will be complied with during project implementation.

The RGOB confirms that due to project activities communities living in forests and natural habitats will not be displaced or any land conversion activities will be promoted unless in agreement with affected communities. Furthermore, restrictions of access to forests will not be imposed by the project. The Forest and Nature Conservation Act, 1995 and Forest, Nature Conservation Rules, 2006 and Forest Policy, as well as the Land Act, 2007 will ensure that any impact to the land is managed within these regulations.

Although there is no legislation specifically tailored for minor ethnic groups or vulnerable groups, the country's development philosophy is based on all-inclusive, nondiscriminatory development, which is gaining further ground with the growing impetus on decentralization. The national decentralization policy is geared towards enhancing local governance and promoting broad-based participation at the local community level. While *geogs* are officially considered the smallest unit for planning and administration of development programmes, local activities and priorities emanate from the *chiog* level. Each *chiog* is represented in the GYT by its *tshogpa*. The *tshogpa* convenes *chiog* meetings to discuss and draw consensus on local activities and priorities before submitting them to the GYT. Such meetings are required to be attended by a member from each household in the *chiog*, irrespective of social or economic standing.

In conclusion, the RGOB's clearance procedure is adequate and fairly reliable for the context of this project. The BTFEC will also include environmental and social sustainability and management requirements as part of the improvements that will be made for its Operations Manual. The World Bank will review safeguards documentation, as appropriately used, prepared under the project and provide necessary concurrence for the approval of disbursements of funds. Any activity defined in this framework, which does not fall within the RGOB safeguards requirements will need to develop appropriate environmental analyses and planning and will be reviewed by World Bank and provide necessary concurrence for the approval of disbursements of funds.

4. Social Safeguards Processing Steps (including Resettlement Policy Framework)

The project/grant program steps and social steps are linked as described in the table below.

Table 3: Project/grant program steps and social processing steps

Project/grant program step	Social Step	Remarks
Pre-feasibility and/or feasibility study (after Dzongkhag/Park Management selects the concept for further consideration)	<p>Community involvement while developing the project(s).</p> <p>Collection of household information, number of families and land holding (Park Managers)</p> <p>Land ownership certification (Dzongkhag Land Record)</p> <p>Identify households without ownership certificate issued by RGOB</p>	Pre-feasibility and/or Feasibility Report contains environmental section in which environmental situation of project site/ immediate surroundings, potential risks to the project, and probable mitigations will be described. Report contains NoCs also.
Selection of sub project pre-feasibility or feasibility report for preparing Project Report or detailed project report (DPR)	<p>Stakeholders includes Dzongkhag and RNR officials, communities and gewog official, meeting and consultative meeting to be conducted by Gup and Park Managers</p> <p>Review of land holdings, census, property, livestock information in consultation with the Gewog Administrative Officer, Gup, Tshogpa and National Park management unit.</p> <p>Prepare social checklist based on the preliminary information and make the decision on the need for a detailed Social Assessment</p>	<p>Initial Environmental screening will check: i) if the project is eligible, ii) if the project is exempted by Bhutan environmental laws from further environmental investigation, and iii) who is the Competent Authority for reviewing and issuing environmental clearance.</p> <p>Checklists format will be prepared by BT FEC and filled out by the independent consultant</p>
Preparation of project DPR by Park Management on behalf of the community or the Park.	<p>National Park Management will prepare the Social Impact studies.</p> <p>NoCs has to be obtain from the community by the NPM</p> <p>Compensation issues should be resolved in consultation with the community and the gewog administration by NPM</p> <p>Substitute lost lands or cash compensation as per the Land Act of Bhutan 2007.</p> <p>Resettlement allowance in cash equivalent to the difference between compensation as per the Land Act of Bhutan 2007 and full replacement value as per current values in the same vicinity, plus value of all land transaction fees and charges.</p> <p>Allotment of replacement land for families who become landless including households without land ownership</p>	<p>EI needs to be prepared before DPR preparation so that environmental inputs go into DPR.</p> <p>EI and/or DPR also contain all NoCs.</p> <p>If there are impacts on community land or community livelihood activities, an additional report will be prepared to document the details of proposed compensations with agreements from the affected households</p>

	<p>certificate after acquisition as per provisions of the Land Act of Bhutan 2007 and/or as required by the World Bank Involuntary Resettlement policy.</p> <p>If there are livelihood impacts, provision of compensation for the lost livelihood based on market prices and compensation to commence livelihood activities in an alternative location and/or compensation to start an alternative livelihood as required by the World Bank Involuntary Resettlement policy</p>	
	Conduct detailed Social Assessment if needed	Detailed assessments will be carried out with the services of a consultant
		Prior to finalization of DPR including bid documents or MoU.
Approval of DPR by NEC/MOAF	Obtain all social related clearance from the community and gewog administration	Prior to DPR approval
Approval of DPR by the World Bank	Obtain clearance from the World Bank	Prior to final DPR approval
Acquiring of land	<p>Consultation meetings with the local community who are being affected</p> <p>Provision of replacements, allowances and compensations identified during the pre-feasibility/feasibility</p> <p>Document the process and details of replacements, allowances and compensations provided as a Resettlement Action Plan (RAP)</p>	<p>This step is only applicable if community land will be acquired or livelihood impacts are present due to project activity</p> <p>This step should be completed before the bidding process commences</p>
Preparation of Environment and Social Management Plans	Project proponent prepares site social management plan (only necessary if the RAP has not been fully implemented prior to bidding process)	Cleared by the Safeguard staff of the BTFEC
Bidding and awarding contract or signing MoU	<p>Inclusion of social requirements to the bid document</p> <p>Brief prospecting contractors/ implementer on social requirements</p>	<p>Prior to bidding</p> <p>Post finalizing of MoU</p>
Construction mobilization order	Contractor ensures the social specifications, including the site-specific Social Management Plan are implemented	Site-in-charge will monitor the site-EMP/SMP and clears the construction plan if EMP/SMP implementation is satisfactory
Supervision, and monitoring	Gewog administration	Monitoring report is shared with Dzongkhag and NPM, who will instruct site-in-charge and implementers for necessary actions. NPM and Dzongkhag follow up on implementation.

Social screening

Social screening will be carried out as part of the technical design for each subproject to assess the precise nature and magnitude of social impacts. To ensure consistency in the application of social screening criteria across different sectors, MoAF would prepare and use a standard social screening format based on upon the current NEC and the Wildlife Conservation Division environmental screening guidelines and its past experience of executing similar projects. The screening format should cover but not limited to following issues:

- Loss of land, regardless of the status of ownership
- Loss of structures
- Loss of socio-economics
- Impacts on vulnerable groups
- Impacts on common community resources

To guide the MoAF in preparing a social screening format, a sample format is provided as part of this framework in Annex A.

Social screening will identify the potential for loss of land, assets/structures, socio-economics, willingness of the community to donate land to the project, and other significant social impacts. The findings the social screening will include recommendations for the exclusion of the subproject if involuntary land acquisition or serious social impacts are anticipated. Social screening will also enable the categorization of subprojects based on their level of social impacts. Where the extent of adverse social impacts is minor and no displacement or loss of assets or socio-economics is expected, further social assessment will not be necessary. However, for those subprojects where there is a potential for land acquisition and/or significant social impacts, detailed social assessments/studies will be carried out and if required appropriate social safeguard instruments developed. The screening will also identify the vulnerable households among the affected and any gender disparities.

Social Management Plan (Resettlement Framework)

This matrix is developed on the basis of relevant government and World Bank policies as well as anticipated impacts under the proposed programs. It is expected that the project land needs will be marginal and are expected to be obtained through voluntary donation by individual households or communities, as practiced in earlier World Bank projects.

Types of Impact	Entitlement Unit	Entitlements
Loss of private lands	Affected HHs having ownership certificate issued by the RGoB	<ul style="list-style-type: none">• Substitute lost lands or cash compensation as per the Land Act of Bhutan 2007.• Resettlement allowance in cash equivalent to the difference between compensation as per the Land Act of Bhutan 2007 and full replacement value as per current values in the same vicinity, plus value of all land

		<ul style="list-style-type: none"> transaction fees and charges. Allotment of replacement land for families who become landless after acquisition as per provisions of the Land Act of Bhutan 2007.
	Affected HHs without ownership certificate issued by RGOB	<ul style="list-style-type: none"> Replacement land and resettlement allowance in cash as per the World Bank IR Policy agreed with the World Bank
	Affected Vulnerable HHs	<p>Additional assistance to be identified most vulnerable groups to restore livelihoods.</p> <ul style="list-style-type: none"> Preferential treatment in employment in project activities Skill training and income generation support Priority in Poverty reduction/social development programs
Loss of residential structures	Affected person/families	<ul style="list-style-type: none"> Cash compensation in line with the Bhutan Schedule of Rate. To ensure compensation at replacement value, rehabilitation assistance in cash equivalent to cover depreciation over and above compensation determined on the basis of BSR rates.
Loss of cash crops	Affected HHs	<ul style="list-style-type: none"> Compensation for cash crops and trees calculated as per the Land Act of Bhutan 2007. 2007 (revised rates), including non-title holders.
Loss of income	Affected person/Families	<p>Rehabilitation assistance for lost or diminished livelihoods.</p> <ul style="list-style-type: none"> Preferential treatment¹² in employment in project activities Skill training and income generation support Priority consideration in poverty reduction/social development programs In the case of landless families who suffer partial or total loss of livelihood, allotment of land free of cost.
Loss of Community Resources	Affected Institution /community	<ul style="list-style-type: none"> Compensation for re-establishing or re-constructing lost community resources such as religious and cultural structures or providing alternatives in consultation with affected communities.
Temporary losses	Affected Person /families	<ul style="list-style-type: none"> Cash compensation/transition allowance

Social Grievance redress mechanism

Bhutan has a robust grievance redress system. Any issue on grievances will be verified at the gewog level by the gup. The poorest of the poor grievance issues are put up to Ministry of Home and Cultural Affairs by the Dzongkhag, which get forwarded to the His Majesty's Secretariat for compensation. Informal traditional dispute mechanisms, based primarily on negotiations between aggrieved parties and through community meetings to reach consensus on a satisfactory resolution, are already practiced in Bhutan in general and in the participating gewogs in particular. These traditional dispute practices appear to function well and are generally accepted by all community members as a satisfactory means for resolving disputes and grievances. The project will rely on these existing systems for addressing grievance from the project. However, to

¹² Construction contracts include provision that PAPs will have priority in wage labor/employment on sub-project construction during implementation and post construction s maintenance works.

make the grievance redress process more systematic, but still working within traditional community norms and practices, aggrieved parties will follow following steps.

- Any complaining parties will submit a formal complaint to the Tshogpa of the Chiwog for consideration;
- If it cannot be resolved within the jurisdiction of the Tshogpa of the Chiwog, the grievance case will be submitted to the GT. The GT will review the grievance case and call a public hearing.
- Where the complainant does not agree with the recommendation of the public hearing, he or she can file the case with the Dzongkhag Administration for review and intervention. The Dzongkhag Administration will review the case and make recommendations to resolve the case.
- The complainant can always file his or her case in court at any time where the case will be reviewed and settled.

Any appeals to the above mentioned committees will be recorded in a register, identifying the name of the aggrieved party, date of grievance registered, nature of grievance, and measures suggested to address the grievance, including escalating resolution of the grievance to MOAF or RGOB for recourse through traditional judicial practices, and date of grievance redress.

As part of the World Bank requirement BTFEC will use the existing Dzongkhag Administration Grievance Redressal Committee (GRC) consisting of the Dzongkhag Administration grievance redressal team, as well as a community leader from the project area, a representative from the affected household and a representative from a non-governmental organization located in the area. Any issue that has not been handled at the local level should be moved to the GRC to be set up at the MOAF with representatives from the community affected, a non-governmental organization and representative from the BTFEC (preferably the safeguard staff). This process should be followed for any grievance due to the project finance and before advising the aggrieved party to seek legal support. All proceedings of the GRCs should be properly recorded and made available to public in accessible places.

Annex A. Sample Social Screening format

A. General Information

Title of the Subproject:

Site Locality:

Screening Date:

B. Project Related Information

B1 Activities includes: **(described in brief regarding subproject activities)**

B2. Describe existing land use/occupancy of site and surroundings in brief and accordingly draw a free-hand map **(Please use separate sheet)**

C. Socio-economic Information

C1 What are the asset(s) that would be affected due to Subproject Interventions? **Yes or No**

- Land
- Physical Structure (dwelling or commercial).....
- Trees/crops.....
- Natural Resources (Water bodies/ Forest/ Public Pond)....
- Community Resource Property.....
- Others (please specify)....

C2 Land

C.2.1 Ownership of Land: Public/Private.....

C.2.2 Type of Land: Agricultural/ Homestead/ Low Land /Fallow/ Pond/Others
Please specify.....

- Does the subproject require additional land permanently or on a temporary basis?

- Sometimes as part of road/canal/community resource property upgrading interventions, subprojects may require small parcels of land permanently to meet engineering design requirements. In such case what would be the land procurement policy?
Direct Purchase...Yes/no.....; voluntary donation.....yes/no...;
acquisition Yes/no.....?
- To except voluntarily donated land what would be the legal procedure?

- In case of land acquisition, will there be physical and/or economic displacement of people?

C2.3 Is there any **squatter/ encroacher/ leaseholder** residing on public lands? **Yes/ No** and specify type

If yes.

- What would be the total numbers of Affected Families?
- Is there any possibility of physical displacement?
- How will their livelihoods be affected? (example: due to loss of shelter and housing structure, loss of income source, loss of grazing field/ social network/ family bondage etc) Do the affected families have school going children? Yes/no If yes,.....how many such children are there?
- Among the affected household, is there any person holding long term lease? Yes/no..... if yes, Land uses for what purpose?....., Till how many years remains out of total leasing period?.....

C3 **Structure (Housing/Commercial)**

C 3.1 Type and total number of Housing structure that would be affected:

C 3.2 Is there any commercial/ business structure that would be affected?

C 3.3 Ownership types of the affected structures: Private/ Leaseholder/squatter/encroacher
Please specify

C 3.4 Is there any tenant identified using the affected structure? Yes/No

C 4. **Trees and Crops**

C 4.1 Is there any tree/plant that might be affected? Yes/no..... Total estimated number by size.....?

C 4.2 Is there any social forestry /plantation project that would be affected? Yes/no.....

C 4.3 Is there any common fruit bearing tree that would be affected? Yes/no.....
Species.....

C 4.4 Any agricultural land included within the subproject footprint? Yes/no.....

If yes, please provide necessary information regarding productivity of land, type and quantity of Crop that might be affected and market value

.....
.....
.....

C 5. Is there any **Community Resource Property** that would be affected?
Yes/No..... Please Specify..... Who are the beneficiaries of the affected Community Resource? What is their reaction- Positive/negative?.....
Did they support the project?. Yes/No.....What are the reasons to support/stand against the project?

C6. Is there any **Natural Resource** that might be affected? Yes/No.....

If yes, please describe regarding dependency on the Affected Resources

C7. **Indigenous Peoples**

C 7.1 Is there any community of Indigenous Peoples residing within or adjacent the project site? Yes/No.....For how long

C 7.2 Any Households of Indigenous Peoples would be affected? Yes/No.....
If yes, how many families would be affected?.....

C 7.2 Is there any way that proposed project may pose any threat to cultural tradition and way of life of indigenous Peoples? Yes/No.....

C 8 **Beneficiaries**

C 8.1 Who are the Beneficiaries? How they would be benefited by the subproject?

- Access to health facilities/services? Yes/No.....
- Better access to schools, education and communication? Yes/No.....
- Project activities would provide income-generating source. Yes/No..... Please describe
- Subproject shall promote marketing opportunities of the local products? Yes/No..... If yes, how would that happen? Please elaborate
- Are people ready to co-operate with the project? Yes/No..... Please elaborate the reasons

C 9 How will the subproject create opportunities for Beneficiaries?