

Land Acquisition and Compensation Plan

Lao PDR: Small Towns Water Supply and Sanitation Sector Project

Viengphouka

July 2008

Prepared by: Lao Ministry of Public Works and Transport

The Land Acquisition and Compensation Plan is a document of the borrower. The views expressed herein do not necessarily represent those of the ADB Board of Directors, Management, or staff, and may be preliminary in nature.

DEFINITION OF TERMS

Project Affected People (APs) includes any person or entity or organization affected by the Project, who, on account of the involuntary acquisition of assets in support of the implementation of the Project, would have their (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house and buildings, land (including residential, commercial, agricultural, plantations, forest and grazing land) water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily; and (iii) business, profession, work or source of income and livelihood lost partly or totally, permanently or temporarily.

Compensation – payment in cash or in-kind at replacement cost for an asset to be acquired by the Project.

Eligibility cut-off date is the date that a population record or census, preferably at the project identification stage, serves as an eligibility cut-off date in order to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits. The cut-off date will be the date when the census for the short RP is completed.

Land Acquisition is the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State in the implementation of the Project or any of its components in return for consideration.

Relocation is the physical shifting of an AP from his/her pre-project place of residence and/or business.

Replacement Cost is the amount in cash or in-kind needed to replace an asset and is the value determined as compensation for:

- a. Agricultural land and fishpond based on market prices that reflect recent land sales prior to the commencement of the Project or displacement, and in the absence of such recent sales, based on productive value;
- b. Residential land based on market prices that reflect recent land sales prior to the commencement of the Project or displacement, and in the absence of such recent land sales, based on similar location attributes;
- c. Houses and other related structures based on current market prices of materials and labor without depreciation nor deductions for salvaged building materials;
- d. Crops based on current market value;
- e. Trees and other perennials based on current market value; and
- f. Other assets (i.e., income, cultural, aesthetic) based on replacement cost or the cost of mitigating measures.

Rehabilitation means assistance provided to severely affected APs due to the loss of 10% or more of productive assets (i.e., farmland, fishpond, vegetable garden, etc.), incomes, employment or when sources of living such as shops and place of employment have to be reconstructed completely and/or relocated. The livelihood support may be given in cash or in kind or a combination of the two in order to improve, or at least achieve full restoration of living standards to pre-project levels.

Resettlement refers to all measures taken by the Project proponents to mitigate any and all adverse social impacts of the Project on the APs, including compensation for lost assets and incomes, and the provision of other entitlements, income restoration assistance, and relocation as needed. Resettlement is significant where 200 or more people experience major impacts. Major impacts are defined as involving affected people being: (i) physically displaced from housing, and/or (ii) having 10% or more of their productive, income generating assets lost;

and/or (iii) lose more than 40% of their residential structure. Affected people experiencing major impacts are referred to as 'severely affected APs'.

Structures and structural losses refers to losses to constructed assets besides construction of the actual residence.

Vulnerable Groups are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households headed by women, the elderly or disabled, (ii) households living below the poverty threshold, (iii) the landless, and (iv) indigenous people and ethnic minorities.

Abbreviations

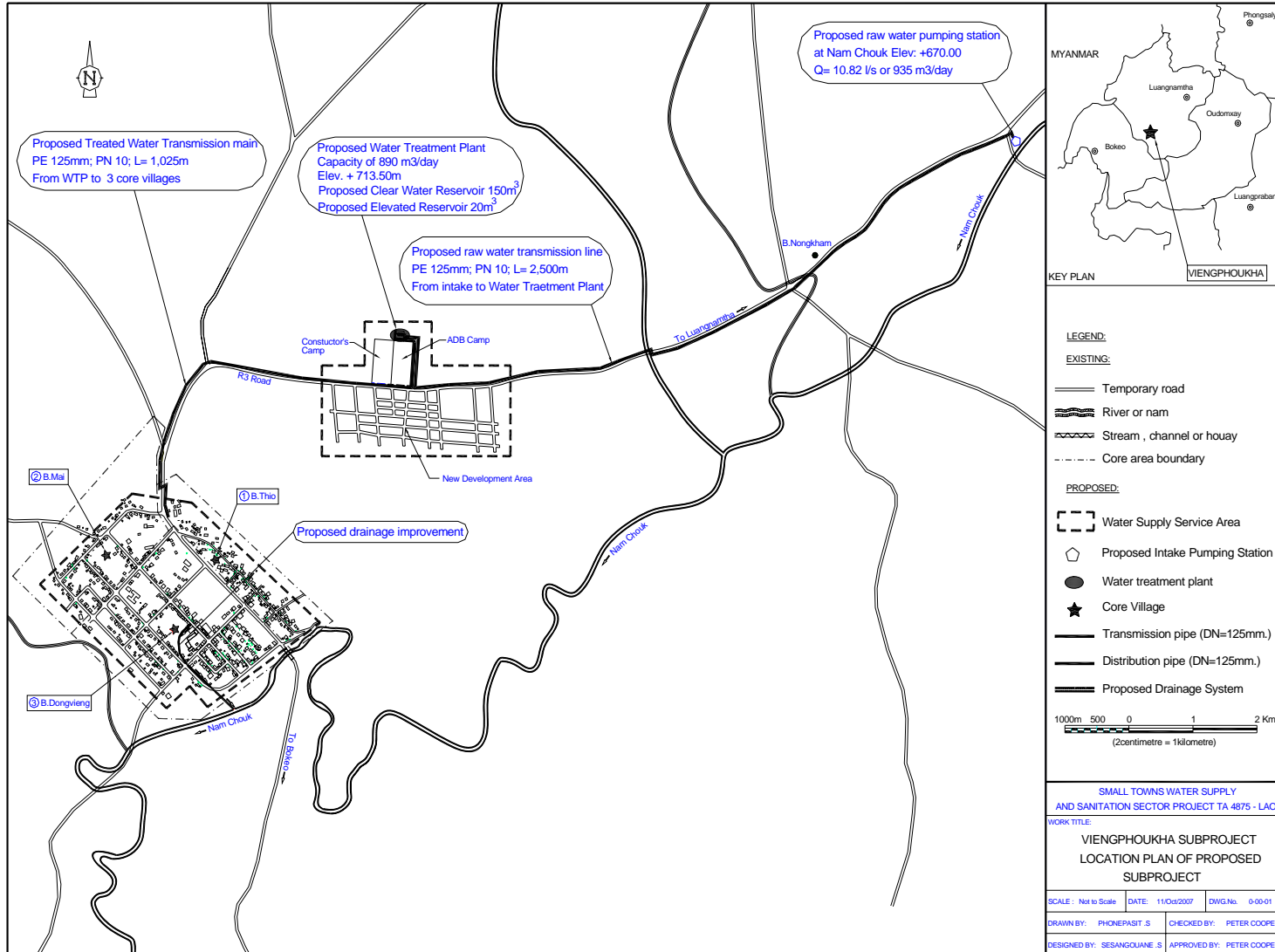
ADB	Asian Development Bank
AP	affected person(s)
CAPP	Community Action and Participation Program
CHAS	Community Health Awareness Support
CPP	Community Participation Plan
DHUP	Department of Housing and Urban Planning
DMS	detailed measurement survey
DPWT	Department of Communication, Transport, Post and Construction
DRC	District Resettlement Committee
EA	Executing Agency
FS	Feasibility Study
GOL	Government of Lao PDR
HH	Household
IA	Implementing Agency
IEE	Initial Environmental Examination
IEM	Independent External Monitor
IOL	Inventory of losses
LACF	Land Acquisition and Compensation Framework
LACP	Land Acquisition and Compensation Plan
LACR	land acquisition, compensation and resettlement
LFNC	Lao Front for National Construction
LWU	Lao Women's Union
M	Meters
MPWT	Ministry of Communication, Transport, Post and Construction
M&E	monitor and evaluation
NGPES	National Growth and Poverty Eradication Strategy
OPWT	Office of Communication, Transport, Post and Construction
PCU	Project Coordination Unit
PIB	public information booklet
PIU	Project Implementation Unit
PNP	Provincial Nam Papa
PPME	program for project performance monitoring and evaluation
PPSC	Provincial Project Steering Committee
PRC	Provincial Resettlement Committee
Project	Small Towns Water Supply and Sanitation Sector Project
PSC	Project Steering Committee
RCS	Replacement cost survey
ROW	right-of-way
SES	Socioeconomic survey
STWSP	Small Towns Water Supply and Sanitation Sector Project
VEI	Village Environmental Improvements
VRC	Village Resettlement Committee
WASA	Water Supply Authority
WREA	Water Resources and Environment Authority
WSD	Water Supply Division

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Viengphoukha Subproject Plan



Executive Summary

The Small Towns Water Supply and Sanitation Project (STWSP or Project) provides financing to develop or rehabilitate water supply systems, improve sanitation conditions and carry out urban and village-level environmental improvements in about 11 small towns throughout Lao PDR. The expected impact of the Project is improved quality of life of small town residents in Lao PDR and enhanced role of the small towns as economic, market, services, and manufacturing centers for their surrounding rural areas. The expected outcome of the STWSP is improved access, quality and reliability of water supply and sanitation services in the Project towns. The Executing Agency (EA) for the STWSP is the Ministry of Public Works and Transport (MPWT), with responsibility delegated to a Project Coordination Unit (PCU) established within the Department of Housing and Urban Planning (DHUP).

The STWSP in Viengphoukha includes (i) construction of a water supply system including water intake (400 m²), access road (200m); transmission main (2.5 km); water treatment plant; distribution and reticulation network (8 km); (ii) upgrading 140m of existing primary drain and construction of 200m new primary drain in Dongvieng market; and (iii) financial and technical assistance for village environmental improvements in three core villages.

According to STWSP policies, the land acquisition and resettlement impacts of the Viengphoukha subproject are not significant. Therefore the subproject is judged to be eligible for inclusion in the Project. The Viengphoukha Resettlement Plan (RP) has been prepared in compliance with the STWSP policies and procedures including the STWSP Land Acquisition and Compensation Framework.

Land Acquisition and Resettlement Impacts

The following table summarizes the extent of land acquisition for development of the water supply system.

Summary of Land Acquisition, Water Supply System

Water System Component	Village	Public Land			Private Land			Temporary Land Acquisition	
		Area (m ²)	Length (m)	No. APs	Area (m ²)	Length (m)	No. APs	Area (m ²)	No. APs
Water intake	Nongkham				400		1		
Access road	Nongkham				1,600				
Transmission main	Nongkham; Mai		1,150	0		1,350	20	4,000	1
Water treatment plant	Mai	10,000		0					
Service Reservoir	Thio	80-100		0					
Distribution pipes	Dongvieng, Mai, Thio		7,700	0					

Source: Viengphoukha IOL, STWSP

Severely Affected APs

A total of 4 APs are severely affected. 1 AP will lose approximately 10% of his productive land, and 3 shop owners will have to relocate and rebuild their shops in new locations.

Information Dissemination and Consultations

The following information dissemination and consultation activities have occurred as an integral part of the preparation of the RP:

Viengphoukha RP Information Dissemination and Consultations

Date	Location	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
22.08.07	Vieng-phoukha District Office	District Governor, PNP, OPWT, District Planning Office, LWU, LFNC, village chiefs	15 people (2 women)	<ul style="list-style-type: none"> ▪ Presentation of technical design for subproject ▪ Presentation/discussion of environmental impacts and issues ▪ Presentation/discussion of STWSP land acquisition and resettlement policy; distribution of public information brochure (PIB) ▪ Discussion of specific land acquisition impacts, PNP strategies and related issues
23.08.07 & 24.08.07	AP shops	3 APs with displaced shops	3 people (2 women)	<ul style="list-style-type: none"> ▪ Presentation of subproject and land acquisition requirements ▪ Summary of STWSP policies and distribution of PIB ▪ Assessment of AP impacts, entitlements, preferences and concerns
24.08.07	AP land	AP with temporary & permanent acquisition of agricultural land	1 person	<ul style="list-style-type: none"> ▪ Presentation of subproject and land acquisition requirements ▪ Summary of STWSP policies and distribution of PIB ▪ Assessment of AP impacts, entitlements, preferences and concerns

Source: Viengphoukha IOL Consultations

Land Acquisition and Resettlement Costs

The estimated land acquisition costs are presented in the following table.

Viengphoukha Land Acquisition and Resettlement Costs

		No. APs	Quantity	Unit	Unit Cost (Kip)	Cost (Kip)	Cost (USD) ¹
I	Land acquisition						
1	Rice paddy (non-irrigated)	1	800	m2	2,000	1,600,000	
2	Other agricultural land	1	1,600	m2	1,500	2,400,000	
II	Crops and trees						
1	Banana trees	1	100	trees	5,000	500,000	
2	Rice harvest	1	1.75	Tons	5,000,000	8,750,000	
III	Structures						
1	Shop structures	3	3	shops	6,000,000	18,000,000	
2	Compensation for lease	1	6	Months	20,000	120,000	
3	Waiver of market fees	3	12	Months	200,000	7,200,000	
IV	Rehabilitation allowances						
1	Moving allowance	3	3	household	300,000	900,000	
2	Loss of income during move	3	4	days	60,000	720,000	
3	Subsistence (6 mo)	4	28	people	864,000	24,192,000	

¹ Exchange rate per July 2008: 1USD = 8,500 kip

		No. APs	Quantity	Unit	Unit Cost (Kip)	Cost (Kip)	Cost (USD) ¹
4	Subsistence (1 mo)	4	28	people	144,000	4,032,000	
V	Sub-total (I-IV)					68,414,000	8,049
VI	Operational/Administrative Cost (15%)					10,262,100	
VII	Contingency (10%)					6,841,400	
VIII	Total					85,517,400	10,061

Source: STWSP PPTA Team

Implementation Schedule

The implementation schedule for the Viengphoukha subproject is presented in the following table.

Viengphoukha RP Implementation Schedule

Main RP Activities	Implementation Schedule
Prepare RP	
Detailed engineering studies and design	Month 1
Recruit IEM	Month 1
Conduct DMS and due diligence	Month 3
Public meeting and consultations with APs on draft RP	Month 3
Finalize updated RP and submit to PRC and DHUP for review and endorsement	Month 4
WREA and ADB approval of RP	Month 6
Implement RP	
Compensation payments	Month 7
Implement rehabilitation measures	Month 7
Clearance of acquired land	Month 7
Award of civil works contract	Month 8
External Monitoring	
PCU awards contract and mobilizes IEM	Month 1
IEM participates in DMS and establishes AP socio-economic baseline	Month 3
IEM conducts post-resettlement survey and final monitoring report	Month 13

Source: STWSP PPTA Team

1 Introduction

The Small Towns Water Supply and Sanitation Sector Project (STWSP or the Project) provides financing to develop or rehabilitate water supply systems, improve sanitation conditions and carry out urban and village-level environmental improvements in about 11 small towns throughout Lao PDR. The expected impact of the Project is improved quality of life of small town residents in Lao PDR and enhanced role of the small towns as economic, market, services and manufacturing centers for their surrounding rural areas. The expected outcome of the STWSP is improved access, quality and reliability of water supply and sanitation services in the Project towns.

The Executing Agency (EA) for the STWSP is the Ministry of Public Works and Transport (MPWT), with responsibility delegated to a Project Coordination Unit (PCU) established within the Department of Housing and Urban Planning (DHUP). The Implementing Agencies are the Departments of Public Works and Transport (DPWT) in each of the provinces.

1.1 Subproject Description

The STWSP in Viengphoukha includes the construction of a new water supply system, drainage and sanitation works in the Dongvieng market and financial and technical assistance for village environmental improvements in the three 3 core villages.

1.1.1 Water Supply System

The water supply system will provide treated water through house connections in the villages of Dongvieng, Thio and Mai. Water will also be available for the new development area that is about 1 km east of the town, on the opposite side of National Road 3 (R3) from the proposed site for the water treatment plant. The components of the water supply system are:

- (i) Water intake: The water intake will be located on the Nam Chouk River east of the village of Nongkham.
- (ii) Access road: A 200-m access road will be constructed from R3 to the water intake.
- (iii) Transmission main: The water will be pumped through a 2.5-km transmission main to the water treatment plant.
- (iv) Water treatment plant: An 890 m³/day water treatment plant will be built behind the ADB camp on R3 about 1 km east of Viengphoukha. A clear water reservoir (100 m³) will be constructed at the water treatment plant site; and, a PNP office, workshop, store and laboratory.
- (v) Service reservoir: A 50m³ service reservoir may be constructed on a ridge in Thio village. Alternatively, the service reservoir will not be necessary if the clear water reservoir at the water treatment plant is enlarged.
- (vi) Distribution pipes: A total of about 8 km of distribution and reticulation pipes will be laid in road rights-of-way in the three core villages.
- (vii) The new development area will be serviced via the elevated backwash tank at the water treatment plant.

1.1.2 Drainage Improvements, Dongvieng Market

The STWSP will improve the drainage conditions in Dongvieng market as follows:

- (i) Primary drains: About 140 m of existing primary drain will be upgraded and 200 m of new primary drain will be constructed. The new primary drain will extend to the Nam Chouk.

1.1.3 Village Environmental Improvements

The three core villages will engage in a participatory process to identify local needs for drainage, upgrading access roads or other environmental improvements and to select, carry out and maintain these works with financial and technical assistance from the Project.

1.2 Subproject Eligibility

The policy of the STWSP is that a candidate subproject town is eligible for inclusion in the Project if, in addition to other criteria, the land acquisition and resettlement impacts are not significant. Based on data collected in the subproject area, the following summarizes the scope of anticipated land acquisition and resettlement impacts²:

- (i) The number of affected households (AHs) that will lose small amounts of land, structures and/or crops and trees: one household (7 people) will permanently lose land; and three AHs (23 household members) have shops that will be permanently relocated.
- (ii) The number of AHs that will lose 10% or more of their productive land, income or other productive assets: One AH will be severely affected by loss of productive land.
- (iii) The number of AHs that will be required to relocate and rebuild houses and/or shops on new land: 3 AHs with affected shops will have to relocate and rebuild.

According to STWSP and ADB guidelines, the land acquisition and resettlement impacts of the subproject are not significant. Therefore the subproject is judged to be eligible for inclusion in the Project and a short Resettlement Plan (RP) has been prepared³.

The Viengphoukha Land Acquisition and Resettlement Screening Form is included in Attachment 1. It has been completed based on data collected by the TA consultants during the inventory of losses (IOL). A similar form will be completed and signed by the district authorities at the time of the detailed measurement survey (DMS).

1.3 Subproject Land Acquisition and Compensation Plan

The RP has been prepared in accordance with the agreed STWSP Resettlement Framework (RF). It includes the following sections:

- (i) Section II – Scope of Land Acquisition and Resettlement: Summary of DMS findings on the numbers of APs and the type and extent of losses due to land acquisition for the water supply system and urban environmental improvements.
- (ii) Section III – Socio-Economic Profiles: Summary of DMS findings on the socio-economic conditions in the subproject area and among APs.
- (iii) Section IV – Policy Framework and Entitlement: Presentation of the legal and policy framework for land acquisition and resettlement under the STWSP; eligibility of affected people (APs) for compensation and assistance; and, entitlement matrix for compensation and assistance.
- (iv) Section V – Information Disclosure, Consultations and Grievance Redress: Policies, procedures and subproject activities regarding disclosure of information to and consultation with APs, and grievance redress procedures.
- (v) Section VI – Compensation and Rehabilitation Strategies: Procedures for payment of compensation and allowances; and, strategies to assist APs with displaced shops to relocate and restore their businesses.
- (vi) Section VII – Resettlement Costs: Procedures for financing and disbursement of funds for land acquisition and resettlement; summary of the costs for compensation and allowances, and administration of resettlement program.
- (vii) Section VIII – Institutional Arrangements: Description of roles and responsibilities of provincial and district authorities for land acquisition and resettlement.

² A more detailed presentation is included in Section 2 below.

³ The terminology of Decree 192 of the Government of the Lao PDR (GOL) has been adopted for the Project to facilitate harmonization between GOL and ADB requirements for land acquisition, compensation, rehabilitation and resettlement. Specifically, the resettlement plan (RP) complies with the ADB requirements for a short resettlement plan (SRP) that would be prepared for subprojects with non-significant land acquisition and resettlement impacts.

- (viii) Section IX – Monitoring: Procedures for internal and external monitoring of resettlement activities.
- (ix) Section X – Implementation: Schedules for activities to prepare and implement the RP and conduct external monitoring activities.

2 Scope of Land Acquisition and Resettlement

2.1 Measures to Minimize Land Acquisition

The measures taken to minimize land acquisition required for the subproject include: (i) the water treatment plant and the service reservoir are sited on vacant public land; and (ii) the distribution and reticulation pipes are located in the rights-of-way of village roads.

2.2 Inventory of Losses (IOL)

The inventory of losses (IOL) for the subproject was conducted based on the preliminary engineering for the proposed subproject components. The following summarizes the DMS and related procedures:

- (i) The dates of the IOL were 22-23 August 2007.
- (ii) The notification of affected households about the dates and procedures of the IOL included the preparation and distribution of a public information brochure and a meeting with district and village leaders.
- (iii) The IOL team included the international and national consultants for the PPTA; and, the head of the Viengkhoukha OPWT and the deputy chief of Dongvieng village.
- (iv) A total of 9 AHs were interviewed including one AH losing land, 3 AHs with shops that will be displaced and 5 AHs with businesses located near the distribution pipes.

The list of APs and their affected assets is included in Attachment 2.

2.3 Water Supply System

2.3.1 Land Acquisition Requirements

The following sections summarize the extent of land acquisition for development of the water supply system. This includes the following subcomponents:

- (i) Water intake: The water intake will require a maximum area of 400 m² (20 m x 20 m). The site is scrub land on the river bank owned by Mr. Khamdy of Nongkham.
- (ii) Access road: The 200m access road will have a maximum width of 8 m at toe of embankment (1,600 m²). It will be constructed on scrub land (800 m²) and rice paddy (800 m²) owned by Mr. Khamdy of Nongkham.
- (iii) Transmission main, water intake to R3: The first 100m of the transmission main will be located under rice paddy belonging to Mr. Khamdy of Nongkham. The remainder of the 1.278-km transmission main from the water intake to the water treatment plant will be located at the edge of paddy fields of villagers, another 0.072 km located on 3 household residential lands, and about 1.150 km located on the public lands adjacent to R3.
- (iv) Water treatment plant: The treatment plant site will occupy approximately 1 hectare (100 m x 100 m) of vacant public land situated directly behind the ADB camp.
- (v) Service reservoir: If a service reservoir is constructed above Thio village, it will be located on vacant public land.
- (vi) Distribution and reticulation pipes: All distribution and reticulation pipes will be located in the rights-of-way of town roads.

Table 1: Summary of Land Acquisition, Water Supply System

Water System Component	Village	Public Land			Private Land			Temporary Land Acquisition	
		Area (m ²)	Length (m)	No. APs	Area (m ²)	Length (m)	No. APs	Area (m ²)	No. APs
Water intake	Nongkham				400		1		
Access road	Nongkham				1,600				
Transmission main	Nongkham; Mai		1,150	0		1,350	17	4,000	1
Water treatment plant	Mai	10,000		0					
Service Reservoir	Thio	80-100		0					
Distribution pipes	Dongvieng, Mai, Thio		7,700	0					

Source: Viengphoukha IOL, STWSP

2.3.2 Public Land

The water treatment plant and, if required, the service reservoir will be constructed on public land. Both pieces of land are vacant and there are no users with rights to these properties. There is a construction school 150 meters from the proposed treatment plan, which will be consulted about the project before construction begins. The land is presently under the management of the Luangnamtha Land Department; the PNP will submit a formal request for transfer of the land for the purposes of the Project.

About 1150 meters of transmission main from the residential lands of Ban Nongkham, will be located on public land along R3, not on the edge of the road but outside of the road.

There is sufficient space in the ROWs to install the main without disrupting adjacent uses (e.g., a small number of shops or houses). The main will cross several paved or dirt access roads; the contractor will ensure the restoration of these roads and any other accesses to private property.

The location of distribution pipes in the ROWs of town roads will have no permanent impacts and limited temporary impacts.

- (i) The ROWs of roads in the residential areas of Viengphoukha are generally clear of any structures or other assets belonging to households.
- (ii) Along the main road (R3), distribution pipes will be installed on both sides of the road adjacent to sidewalks that border the roadway. The installation of the pipes may require the temporary removal of sign posts and some small fences bordering private property.
- (iii) In the case of Road No. 2 that borders the market, the distribution pipe will be located in the ROW on the opposite side of the road from the main market area in order to minimize disruption of businesses during pipe installation. The impacts while the trench is dug and pipe installed are minimal and businesses will be able to operate as normal.
- (iv) According to MPWT, it is not permitted to install the pipelines on the R3 Road and they must be installed either in the right of way or in the private lands. The transmission main from the intake site at Nongkham village to the Vieng Phoukha District Head Quarters will be buried in some paddy fields, some private residential lands belonging to both Nongkham, and some public lands.

2.3.3 Private Land

One AP, Mr. Khamdy, is affected by the loss of private land required to construct the water supply system. He has a land certificate (Form 01) for about 1 hectare of scrub land (2,000 m²) and rice paddy (8,000 m²) that he acquired in 1988; he cultivates one crop of rice and grows some banana trees on the edges of the rice paddy. This land will be affected temporarily and permanently by the construction of the water intake, the 200m access road and the first 100m of the transmission main, as follows:

- (i) A total of 2,000 m² will be permanently acquired for the access road (1,600 m²) and the water intake site (400 m²). The majority (1,200 m²) is scrub land that is not cleared or cultivated; the remainder is rice paddy (800 m²).

- (ii) About half of the rice paddy will be temporarily acquired to permit construction of 100m of the transmission main. This work will be done during the dry season to avoid disruption of Mr. Khamdy's use of the land. He will be permitted to cultivate rice on this land following construction of the main.

Mr. Khamdy also owns other productive land, including about 10,000 m² that he uses to cultivate corn and grow bananas. In total, Mr. Khamdy will lose about 10% of his total productive land holdings.

There are 20 paddy owners at Nongkham village namely Mr. Kham Ai, Mr. Keotome, Mr. Si Ai, Mr. Khamchan, Mr. Som, Mr. Souk, Mr. Ai Eui, Mr. Seth Lang, Mr. Langchan, Mr. Inpaeng, Mr. Keosean, Mr. Khamdy, Mr. Tomesy, Mr. Aitome, Mr. Tomeland, and Mr. Raykouay, whose paddy fields will be temporarily disrupted. The transmission main will be buried at the edge of the paddy fields along the road, about 50 centimetres deep. The area where the pipes will be buried still can be used for rice cultivation forever. The work must be done during the dry season when no cultivation activities take place. The total length of the transmission main to be buried on the edge of the paddy will be about 1300 meters.

No	Name	Total M2	Long m	Loss area M2	%
	Paddy fields				
1	Mr. Kham Ai	385	42.8	21.4	5.6%
2	Mr. Keotome	192	27.4	13.7	7.1%
3	Mr. Si Ai	14	0.6	0.3	2.0%
4	Mr. Khamchan	451.9	64.6	32.3	7.1%
5	Mr. Som	635.5	105.9	53.0	8.3%
6	Mr. Souk	175	17.5	8.8	5.0%
7	Mr. Ai Eui	73.5	6.1	3.1	4.2%
8	Mr. Seth Lang	1533	191.6	95.8	6.3%
9	Mr. Langchan	1200	200.0	100.0	8.3%
10	Mr. Inpaeng	2000	222.2	111.1	5.6%
11	Mr. Keosea	145.5	18.2	9.1	6.3%
12	Mr. Khamdy	1315	146.1	73.1	5.6%
13	, Mr. Tomesy	280.5	28.1	14.0	5.0%
14	Mr. Aitome	1255.1	139.5	69.7	5.6%
15	Mr. Tomeland	11	0.4	0.2	1.7%
16	Mr. Raykouay	137.36	13.7	6.9	5.0%
17	Mr. Khamseuang	316.25	39.5	19.8	6.3%
	Residential land				
18	Mr. Kor La Oun	290	41.4	20.7	7.1%
19	Mr. Khamkeud	130	21.7	10.8	8.3%
20	Mr. Ngeun Oun,,	67.5	9.6	4.8	7.1%
		10,608.1	1,336.9	668.4	

There are 3 households at Nongkham village namely Mr. Kor La Oun, Mr. Khamkeud, and Mr. Ngeun Oun, whose residential lands will be disrupted about 150 meters along the road. The transmission main will be buried at the edge of the residential lands along the road. The land can no longer carry constructed permanent structure on it, but the households can plant flowers, and other related simple movable recreation structures.

2.3.4 Loss of Crops and Trees

The construction of the water intake, access road and transmission main under Mr. Khamdy's land will be undertaken, to the extent possible, during the dry season. Therefore, there will be no affected rice crop.

However, there are numerous banana trees located on Mr. Khamdy's land, some of which may be damaged or removed during construction. Lost trees will be compensated at the current market price at the time of payment of compensation. The precise impact will be determined during the detailed measurement survey (DMS) based on the staking of land that will be acquired.

2.3.5 Temporary Disruption of Businesses

6 businesses located along Road No. 2 are located adjacent to the area for trench digging and installation of the distribution pipe. All structures have dirt floors which would enable the contractor to hand-dig trenches to install the pipes without displacing the structures. The businesses would be able to operate as normal during the short construction period (about 1 day for each business) and there will be no disruption of their businesses.

2.4 Drainage Improvements, Dongvieng Market

In order to permit the upgrading of the existing primary drain, three shops will have to relocate. The district market administrator has indicated the shops will be permanently relocated and will not be permitted to return to their present locations.

The market is located on public land. The affected shop owners rent land from the district (500 Kip/m²/year). One AP has an annual lease running from November, while the other 2 APs pay their rent on a monthly basis.

The structures are wood post and beam construction with wood walls and/or woven bamboo panels and metal roofs. One structure is about 50 m²; the other two are about 40 m².

The shops sell a variety of clothing, household goods and other dry products. They are principal sources of household income for the owners. This income averages 50,000-60,000 Kip/day.

None of the shop owners lives in his/her shop. Two shop owners live elsewhere in Dongvieng village in Viengphoukha town; the third shop owner lives in Nongkham village.

2.5 Severely Affected APs

Severely affected APs are defined as those that (i) lose 10% or more of their productive land, income or other productive assets and/or (ii) must relocate and rebuild their house and/or shop on new land. They are entitled to additional assistance to restore incomes and/or relocate. In the Viengphoukha subproject:

- (i) There is one severely affected AP due to the loss of about 10% of his productive land.
- (ii) The 3 shop owners are severely affected because they will have to relocate and rebuild their shops in new locations.

3 Socio-Economic Profile

Socio-economic profiles have been prepared for the subproject area and for APs, including data on key indicators related to land acquisition and resettlement impacts. The sources of data on subproject conditions are the results of the social survey conducted during preparation of the subproject Feasibility Study (FS). The socio-economic conditions of APs were surveyed during the fieldwork for preparation of the RP.

3.1 Socio-Economic Profile of Subproject Area

In 2006, the total population of the core villages was 2,975 people living in 591 households. The average household size was 5.0 persons. Women accounted for 53% of household members (male/female ratio of 0.91); they headed about 7% of households in the town.

Table 2: Viengphoukha Population Characteristics

Core Villages	2006 Pop'n.	No. HH	Persons/ HH	M/F Ratio	Female HH Head (%)
Dongvieng	1,339	285	4.7	0.97	8.5
Thio	1,046	187	5.6	0.90	4.8
Mai	590	119	5.0	0.83	7.7
Totals	2,975	591	5.0	0.91	7.1

Source: Viengphoukha Reconnaissance Survey, STWSP

More than 90% of people living in Viengphoukha belong to different Mon-Khmer ethnic groups. The largest group, the Khuan (or Kwen), is the dominant group in the town and in Dongvieng and Thio villages. The Youane (or Nguan), the second largest group, is the principal group in Mai village.

About 7% of the population is Lue, one of the Tai-Kadai ethnic groups that form the majority of the national population in Lao PDR. A small number of Hmong of the Hmong-Mien linguistic group have relocated from the highlands to Viengphoukha, and live in Dongvieng village.

Table 3: Ethnicity in Viengphoukha (% population)

	Thio	Mai	Dongvieng	Total
Lue			16.4	7.4
Tai-Kadai Groups				7.4
Khuan	42.9	35.6	82.9	59.5
Youane	17.3	64.4		18.9
Sam Tao	38.7			13.6
Yang	1.1			0.4
Mon-Khmer Groups				92.3
Hmong			0.7	0.3
Hmong-Mien Groups				0.3

Source: Viengphoukha Social Survey, STWSP

The education achievement of the heads of households is generally low. Nearly 50% have no schooling or have not completed primary school, particularly among households living in the villages of Thio and Mai. On the other hand, 65% of household heads in Dongvieng have some secondary education.

In the residential areas of Thio and Mai, nearly everyone owns the land and the house they occupy. In Dongvieng, the ownership rate is about 70%; most other households occupy land and/or houses with the permission of village authorities, for example, in the market area. All households that own land have been issued a Land Certificate (Form 01).

Based on survey results, 60% of household heads work as farmers; the majority of these households are located in the villages of Thio and Mai. Dongvieng is the location of district offices which may explain the high proportion of government staff living in this village. At the same time, most people engaged in trading or business activities are located in Dongvieng which is also the market area of Viengphoukha⁴.

Table 4: Occupations (% household heads)

	Thio	Mai	Dongvieng	Total
Farmer	80.8	90.5	23.5	59.3
Government staff	15.4	9.5	55.9	30.9
Trader/business person	-	-	2.9	1.2
Hired laborer	3.8	-	-	1.2
Retired/housewife	-	-	17.6	7.4

⁴ The high proportion of non-working household heads in Dongvieng may be a result of bias in the sampling towards households headed by women who are not working.

In many households, an important secondary source of income is small businesses operated by members who are not the household head. In Viengphoukha, approximately 20% of surveyed households operate a business from their home, 80% of these are located in Dongvieng village. Most of these businesses are retail shops (80%); the remaining businesses include guesthouses, production of handicrafts and service businesses.

In surveyed households, economically active people accounted for 57% of total household members. Women accounted for nearly two-thirds of household members that work to contribute to the household economy. The principal income-earning activities of women included the production and sale of garden crops (31% of women) and raising and selling small livestock (24%). Men are also involved in sale of agricultural products (e.g., large livestock, cash crops and trees), but were more likely to be engaged in waged or salaried work in the private and government sectors (respectively, 28% and 29% of men).

Table 5: Income-Generating Activities (%)

	Male	Female
Rice sales	1.1	4.4
Sale of Garden crop	1.1	31.4
Sale of cash crop and trees	16.7	15.1
NTFP sales	1.1	3.8
Livestock sales	13.3	23.9
Own business/shop	0.0	0.6
Market vending	1.1	3.8
Trader	1.1	4.4
Wages	27.8	7.5
Hired labor	6.7	1.3
Pension	1.1	0.6
Government work	28.9	3.1

Source: Viengphoukha Social Survey, STWSP

District data on wealth rankings in Viengphoukha take into account several factors including rice sufficiency, housing quality and whether children attend school, as well as cash income. Overall, 59% of households are designated as poor. The distribution includes 91% of households in Mai, 56% in Thio and 46% in Dongvieng.

3.2 Socio-Economic Profile of Affected People

During the IOL, basic data were collected about each of the AP households that is permanently affected. A summary of this information is:

- (i) The members of the 4 households include 16 men and 14 women; the household size is 7 or 8 people.
- (ii) All APs belong to Mon-Khmer ethnic groups. One shop owner is Samtao; the other two shop owners and the AP losing land are Khuan (Kwen).
- (iii) The two male APs are married and are 50 and 52 years old; one woman AP is a 59-year-old widow and the other is 25 years old and single.
- (iv) All members of AP households speak Lao; 81% of men read Lao and 83% of women.
- (v) In the case of the AP losing land, all household members are economically active. Among the other AHs, about 60% of household members work. Women account for 45% of economically active adults in AP households.
- (vi) In the case of the AP losing land, the monthly household income is about 700,000 Kip. The principal source is sale of agricultural products. The father and son work, respectively, for the military and the district; their wages are the second most important source of income.

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- (vii) The shop owners have monthly household incomes from 1,000,000 to 1,800,000 Kip, or an average of 1,400,000 Kip. Their businesses provide the most important source of household income, with farming providing a secondary source.
- (viii) None of the AHs is designated as a poor household by district authorities.

3.3 Water Supply

As the STWSP deals with water supply and sanitation, data were collected from AHs to determine their current situation as well as their interest and willingness to pay for water supply. Two AHs live in Viengphoukha and have water piped to their houses from a Nam Sa'at or private system; they get their water from these systems in the wet season but rely on river water in the dry season when the piped systems have water shortages. The other two AHs live in Nongkham rely on wells in both the wet and dry seasons. All AHs have water seal pit latrines.

The 2 AHs living in Viengphoukha are located in core villages and want to connect to the new PNP system. For the connection fee, one AH is willing to pay 1 million Kip and the other is willing to pay up to 2 million Kip. They each would prefer to make this payment in installments over 3-6 months. Both AHs indicate that they would be able to afford water use charges in the order of 50,000 Kip/month.

The 2 AHs that live in Nongkham are outside the project area for the Viengphoukha subproject. They will not benefit directly from the investments in a water supply system; and, will continue to rely on wells as their source of water.

3.4 Vulnerable APs

Vulnerable APs may be at greater risk due to the impacts of land acquisition and resettlement; as a consequence, they are entitled to additional assistance to help them to restore living and socio-economic conditions. In Viengphoukha, all AHs belong to minority ethnic groups and one AP is the female head of household.

3.5 AP Preferences and Concerns for Compensation and Resettlement

The APs all prefer cash compensation for their affected land or structures. The 3 shop owners would prefer to rebuild at their present locations following completion of the drainage works in the market and have expressed concerns about the lack of alternative locations for their shops and the impacts relocation will have on their business income. However, the market will be reconstructed by the district government and rebuilding at the present location is therefore not an option. The shops will get a guaranteed stall in the new market, of the same size as their current stall, and they will receive a waiver of the market fees for the 1st year following relocation.

4 Legal Framework and Entitlements

4.1 Legal Framework

The policy framework and entitlements in this RP have been built upon the laws of the Government of Lao PDR, principally the Constitution (1991) and the Land Law (1997, 2003), the Road Law (1999), Decree 192/PM on *Compensation and Resettlement* (July 2005), the *Regulations for Implementing Decree 192/PM and Technical Guidelines for Compensation and Resettlement of People Affected by Development Projects* (November 2005), Asian Development Bank (ADB) *Policy on Involuntary Resettlement* (1995), and Government approved RPs for other ADB projects.

4.1.1 1. Lao PDR Laws and Regulations

The Constitution (1991) provides the following relevant articles:

- Article 14. The State protects and promotes all forms of state, collective, and individual ownership.
- Article 15. Land in Lao PDR is owned by the national community. The State ensures the right to use, transfer, and inherit it in accordance with the law.

- Article 8. Establishes the right of all ethnic groups to protect, preserve and promote their customs and heritage. All acts of division and discrimination among ethnic groups are prohibited.

The 1997 Land Law (No. 01/97) is the principal legislation by which the State exercises its constitutional responsibility for the management, preservation, and use of land. In relation to Project resettlement, this law allows for expropriation of land by the state when this is in the public interest. Importantly, the Land Law requires the land user to be compensated, and this compensation is determined by an inter-agency committee. The articles of particular importance to resettlement are summarized below:

- (i) Article 5 - provides for protection of the rights of efficient, regular and long-term land users.
- (ii) Article 43 – rights to use of land can be achieved through delegation by the state, inheritance or through transfer of rights.
- (iii) Article 54 – termination of land use rights can be affected by voluntary liberation of rights by possessor, or through expropriation by the state for use of the land in the interests of the public.
- (iv) Article 61 – when land is required to be expropriated by the government for use in the public interest, the relevant authorities are required to compensate the land use possessor for their losses.
- (v) Article 62 – determination of assessed losses should be undertaken by a committee comprising representatives of all concerned agencies.

Land Law (No. 04/NA) of 21 October 2003, supersedes the previous Land Law (1997), which outlines land definitions, land titles and the responsible authorities that vary for each category of land use or administration. The Law makes some reference to the compensation entitlement for land in Article 67-70 but not to structures.

The Land Law provides the issuance of a Land Title, which attests provisional ownership rights to use agricultural as well as forestland (Articles 17-18 and 21-22). Land titling is being undertaken under the AusAid/World Bank project in a number of towns. Under this project Land Titles and Land Survey Certificates are issued. In places where Land Titling has not been done yet, most APs will only have Land Use Rights Certificates (Form 01), Land Tax Payment Receipts and/or Residency Certificates. Form 01 are certificates of land use for taxation and are considered evidence of land use but not as legal title. For agricultural and forest land the District Agricultural and Forestry Extension Office (DAFEO) issues Temporary Use Certificates. People without proof of ownership and/or certificates are considered “unregistered” users. These users differ from “illegal” users. In case of acquisition, APs who hold the above documents but also those who are granted customary land use rights⁵ or are considered unregistered users since before the cut-off date, receive compensation under the Land Law.

The Road Law (1999) requires “reasonable” compensation to the owner whose land will be acquired for the right-of-way (ROW), relocation and replacement structures and loss of trees and crops (Article 19). In the Decree and ADB regulations it is stated that privately owned land or land under permitted land use within the agreed ROW used for road construction will be expropriated, and the owner will receive reasonable compensation. However, in Laos it often is the case that structures and even part of housing are constructed within the ROW after the ROW has been announced. In this case in the Project compensation will be restricted for loss of materials of structures, repair costs and loss of trees.

⁵ These certificates are issued at the District level.

While both the Land Law and the Road Law ensure compensation for legal owners of properties under acquisition, they do not guarantee either replacement value of the acquired properties or restoration of income, or indeed provide for compensation to nonlegal (but not illegal) users.

The Decree 192/PM on *Compensation and Resettlement* (July 2005) rectifies key areas of the Land and Road Laws which would prevent informal land users from any eligibility, and also sets a clear definition of the “reasonable compensation” mentioned in the Land and Road Laws and determines these as replacement cost. It supplements the Land and Road Laws in that it provides processes and mechanisms for acquiring and removal of structures and not just land and for determining entitlement, with community participation. Along with the decree’s Regulation on Implementation (November 2005) and Technical Guidelines (November 2005), it provides a comprehensive framework on resettlement planning in Lao PDR. The Decree recognizes the rights of vulnerable groups (i.e. households headed by women, disabled, elderly or very poor) and ethnic groups.

4.1.2 ADB Policy on Involuntary Resettlement

The objectives of ADB’s *Policy on Involuntary Resettlement* (1995), are to avoid involuntary resettlement whenever feasible, to minimize resettlement where population displacement is unavoidable, and to ensure that displaced persons receive assistance so they are at least as well-off as they would have been in the absence of the Project. The policy stipulates three important elements in involuntary resettlement: (i) compensation for lost assets and loss of livelihood and income, (ii) assistance in relocation including provision of relocation sites with appropriate facilities and services, and (iii) assistance with rehabilitation so as to achieve at least the same level of well-being with the Project as before. The policy further specifies that the absence of legal title (Form 01) to land cannot be considered an obstacle to compensation and rehabilitation privileges. All persons affected by the Project, especially the poor, landless, vulnerable, and disadvantaged households should be included in the compensation, transition allowance, and rehabilitation package.

The recent changes in the Government of Lao PDR legislation related to compensation and resettlement in development represents a significant improvement in the rights of citizens when their livelihoods, possessions and society are affected by development projects.

Both Lao Law and ADB policies entitle APs to compensation for affected land and non-land assets at replacement cost. However, definition of severely affected APs varies between ADB (OMF2 para 5) at 10% and Decree 192/PM (Article 8) at 20% of income generating assets affected. However in accordance with Decree 192/PM (Article 6) which entitles all APs to economic rehabilitation assistance to ensure they are not worse off due to the Project, the 10% definition of severely affected will be adopted as part of the Project’s resettlement policy.

B. Project Provisions and Principles

4.1.3 General provisions and principles

The provisions and principles adopted in this RP are in line with the provisions of relevant decrees currently in force in Lao PDR and with ADB policy on compensation for loss of land and assets through resettlement. **Table 3** includes the basic principles that have been adopted for the Project.

4.2 Table 3: Key Project Principles Adopted for the Project

No.	Principle
1	Involuntary resettlement and loss of land, structures and other assets and incomes shall be avoided and minimized by exploring all viable options.

No.	Principle
2	APs are defined as those who may stand to lose, as a consequence of the Project, all or part of physical and nonphysical assets, including homes, homesteads, productive lands, commercial properties, tenancy, income-earning opportunities, social and cultural activities and relationships, and other losses that may be identified during the process of resettlement planning.
3	APs, identified in the project-affected area at the date of the updated inventory of losses (IOL), shall be provided with compensation for their lost assets, incomes and businesses at full replacement cost, free from taxes, registration, and land transfer. APs will be provided with rehabilitation measures sufficient to assist them improve or at least maintain their pre-project social and economic circumstances.
4	All APs will be equally eligible for compensation and rehabilitation assistance in accordance with individual RPs, irrespective of tenure status, social or economic standing, and any such factors that may discriminate against achieving the objectives outlined above. Those who encroach on the proposed area after the cutoff date (or completion of IOLs) will not be entitled to compensation or rehabilitation, unless there has been a change in subproject scope.
5	Temporarily affected land and communal infrastructure will be restored to pre-project conditions.
6	The Project will assist villages to prepare leveled residential land and sites for affected livestock and fishponds, especially for vulnerable households;
7	APs shall be hired to assist with labor affecting their structure or land to help minimize the level of impact.
8	Voluntary donation will not be applied for any assets except very minor losses of residential land. Voluntary donation of small strips of residential land will be according to the following criteria that will be strictly complied with, i.e., (i) the AP's total residential land area is not less than 300 m ² ; (ii) if the AP's total residential land area is more than 300 m ² , the strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no houses, structures or fixed assets on the affected portion of land. APs opting to make voluntary contributions shall make an informed choice. The procedures for voluntary contributions shall ensure transparency and accountability.
9	Adequate budgetary support will be fully committed and be made available to cover the costs of land acquisition and resettlement and rehabilitation within the agreed implementation period.
10	Payment of compensation or replacement of affected assets and any resettlement to new locations must be completed prior to the start of civil works for the subproject. Rehabilitation measures must also be in place, but not necessarily completed, as these may be ongoing activities.
11	Compensation and rehabilitation assistance for ethnic minorities, and socially disadvantaged such as households headed by women, the disabled and elderly will be carried out with respect for their cultural values and specific needs.
12	The executing agency will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation and implementation of the land acquisition, compensation, resettlement and rehabilitation program.
13	There will be effective mechanisms for hearing and resolving grievances by APs during implementation of the RPs.
14	Preparation of RPs (as part of subproject preparation) and their implementation shall be carried out with participation and consultation of affected people.
15	Details of the RPs will be distributed to the APs and placed in project and commune offices for the reference of affected people as well any interested groups.
16	Appropriate reporting, monitoring and evaluation mechanisms will be identified and set in place as part of the resettlement management system.

Source: STWSP Resettlement Framework

4.3 Eligibility for Compensation and Other Assistance

All APs who are identified in the project-impacted areas on the cut-off date will be entitled to compensation for their affected assets, and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels. The cut-off date will be the final day of the DMS in each subproject. Those who encroach into the subproject area after the cut-off date will not be entitled to compensation or any other assistance, unless there has been a change in subproject design.

4.4 Voluntary Land Contribution

Voluntary donation will not be applied for any assets except very minor losses of residential land. Voluntary land contributions may occur when individual APs or local communities make an informed choice to donate the necessary land to implement the subproject, without receiving compensation. The conditions and procedures for voluntary contributions for the STWSP follow the precedents that have been established in other projects in Lao PDR.

Voluntary contributions apply only to small strips of residential land and only in instances where the loss of land assets is very minor. The following criteria will be strictly complied with:

- (i) The AP's total land area of the residential land that is being donated is not less than 300 m².
- (ii) If the AP's residential land area in question is more than 300 m², the amount of land that can be donated cannot be more than 5% of the total land holding.

Voluntary donation according to these criteria will follow the process in accordance with ADB's Operations Manual (OM) F2, which is the same as the Government's Decree 192/PM/2005. The procedures for voluntary contributions are designed to facilitate an informed, transparent and accountable process. To ensure this, voluntary contributions shall be acceptable only if the following safeguards are in place:

- (i) There is full consultation with local officials, affected land owners, any non-titled affected people and other stakeholders regarding the site selection, land acquisition requirements and the issues surrounding voluntary land contributions.
- (ii) All APs and other stakeholders are fully informed about the potential impacts of the voluntary donations. They agree that a) the proposed donations are directly linked to benefits they will receive and b) do not severely affect their living conditions, livelihoods and incomes; and, they are satisfied that c) community sanctioned measures are in place to replace any losses that are agreed to through written record by affected people.
- (iii) All voluntary contributions will be confirmed through a written agreement between the AP and the local authority, and verified by an independent third party such as a designated person, non-government organization or legal authority. A sample of the written agreement is included in Attachment 1. Written agreements shall be submitted to ADB as part of the confirmation that all APs have been compensated for their lost assets.
- (iv) The local authorities have established adequate grievance redress mechanisms for the Project and fully informed APs and other stakeholders of these procedures.

4.5 Entitlement Matrix

The Entitlement Matrix summarizes the main types of losses and the corresponding nature and scope of entitlements.

Table 7: STWSP Entitlement Matrix

Type of Loss	Entitlements	Implementation Issues
Temporary loss of access to or use of land (e.g., during construction)		
Legal users		
	No compensation will be paid, but the land will be returned to APs within one (1) month of the completion of required works or use of land, in a condition equal to or better than pre-project level. The cost and works to restore, repair or reconstruct any culverts or structures to access the land from the road will be the responsibility of the Contractors as part of their contracts.	Legal users are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law. The PIU and PIAC will ensure

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Type of Loss	Entitlements	Implementation Issues
	The cost of restoration and improvement of any such land, as required, will be made a responsibility of the Contractors as part of their contracts.	that (i) APs are adequately informed of their rights and entitlements as per the STWSP land acquisition and resettlement policies; and, (ii) agreements reached between APs and the civil works contractor are carried out.
All APs regardless of land use rights		
	Cash compensation will be paid at replacement cost to all APs for damage to or loss of trees, crops, fences or other structures and/or for loss of net income from business or other activities. In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.	
Permanent loss of agricultural or other productive land		
Legal users		
	For minor losses equal to less than 10% of the total land holding, legal APs will receive cash compensation at replacement cost at current market prices. For major losses equal to or more than 10% of the total land holding, as a priority, legal APs will be allocated replacement land of similar type, category and productive capacity, located in the same village and with land title or secure tenure; or, if land is not available or the APs chooses, cash compensation at replacement cost at current market prices plus assistance to purchase and register land. If the area of the remaining agricultural land is no longer viable, legal APs may request that the Project acquires the entire land holding. All transaction fees, taxes and other costs associated with allocation of replacement land with title or secure tenure will be paid by the Project. If the head of household is married, the title or land certificate will be issued in the names of both spouses.	Legal users are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law. Voluntary donation of productive land will not be allowed by the Project.
Users with temporary or lease rights		
	APs that hold a lease for use of agricultural land (e.g., for a concession) will receive compensation equal to the remaining value of the lease.	
Permanent loss of residential land		
Legal users		
	With sufficient remaining land to rebuild house/structures: (i) Cash compensation at replacement cost at current market prices for land of similar type and category; and, (ii) Contractor to improve remaining residential land at no cost to APs (e.g., land filling and levelling) so APs can rebuild on remaining land. <u>Without</u> sufficient remaining land to rebuild house/structures: (i) replacement land equal in area, type and category at a location satisfactory to APs and with registered title or secure tenure; OR (ii) cash compensation at replacement cost equal to current market prices for land of similar type, category and location, plus assistance to purchase and register land. If the area of remaining land is not viable to rebuild, APs may request that the Project acquires the entire land holding. All transaction fees, taxes and other costs associated with the allocation of replacement land and/or issuance of title or secure tenure will be paid by the Project. If the head of household is married, the title will be issued in the names of both spouses.	Legal users are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law. Voluntary contribution of residential land will be allowed only under the following conditions: (i) the total area of AP residential land is at least 300 m ² ; and, (ii) the affected portion is less than 5% of the total area; and, (iii) there are no structures or fixed assets on the affected portion. Voluntary donation according to these criteria will be carried through a process in accordance with the ADB Operations Manual (OM) F2 which is the same as the GOL Decree 192/PM/2005.

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Type of Loss	Entitlements	Implementation Issues
Users with temporary or lease rights		
	APs that hold a lease for use of construction or other non-agricultural land will receive compensation equal to the remaining value of the lease.	
Non-legal users		
	Non-legal APs will not receive compensation for affected land. However, if they have no other residential land holdings, they will be allocated replacement land with leasehold tenure to rebuild their house.	
Loss of Structures (residential and commercial structures, and simple shops)		
Owner of structure regardless of land use rights		
	For structures that are completely destroyed or are no longer viable, cash compensation at full replacement cost equal to current market prices for materials, materials transport and labour to build a structure of similar size and quality. For partially affected structures, APs will receive cash compensation at full replacement cost equal to current market prices for materials, materials transport and labour to rebuild or repair the affected portion. If APs relocate to new land in order to rebuild structures, they are entitled to a transition subsistence allowance and a moving allowance. There will be no deductions for depreciated value of affected structures or for salvaged materials.	Adequate time will be provided for APs to rebuild/ repair structures. Affected houses and shops that are no longer viable are those whose remaining portion is no longer usable and/or habitable.
Tenants, including residential and business tenants		
	In the case of partially affected structures, tenants may remain with permission of the owner. If tenants must or choose to relocate, they will receive a cash allowance equal to the current rental amount for a transition period of three (3) months, a moving allowance and assistance to find alternative accommodation or premises.	
Loss of crops and trees		
All APs regardless of land use rights		
	Notice to harvest annual crops, if possible. For annual crops that cannot be harvested, cash compensation equivalent to current market prices times the average yield/crop calculated over the past three (3) years. For fruit and nut trees, cash compensation at replacement cost equal to current market prices given the type, age and productive capacity at the time of compensation. For timber trees, cash compensation at replacement cost equal to current market prices based on types, age and diameter at breast height (DBH) of trees. In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.	
Loss of common property resources		
Villages, village authorities, mass organizations		
	For common property resources, the affected land will be replaced in areas identified in consultation with affected communities and relevant organizations. Affected buildings and structures will be restored to original or better condition	
Loss of business income		
APs with businesses that are disrupted temporarily and not displaced		
	Cash allowance equal to the provincial daily wage or average daily revenues whichever is higher, for the number of days that business activity is disrupted.	

Type of Loss	Entitlements	Implementation Issues
Transition subsistence allowance		
APs that relocate and rebuild house and/or shop on residual or new land; APs that lose 10% or more of their productive land		
	Relocating APs with <u>no impact on business or main source of income</u> : a cash allowance and/or in-kind assistance equal to 16 kg of rice per household member for three (3) months. Relocating APs with <u>main income source affected</u> OR APs <u>losing 10% or more of productive land</u> : a cash allowance and/or in-kind assistance equal to 16 kg of rice per household member for six (6) months.	
Transport allowance		
APs that relocate to new land to rebuild house and/or shop		
	Assistance in cash or in-kind to move structures, salvaged materials, new building materials and personal possessions to new site.	
Severely affected vulnerable APs		
Vulnerable APs that are severely affected by (i) relocation of house/ shop or (ii) loss of 10% or more of productive land		
	A supplementary subsistence allowance equal to 16 kg of rice per household member for one (1) month. Eligible to participate in income restoration program as provided for subproject. Contractors will make all reasonable efforts to recruit severely affected and/or vulnerable APs as labourers for civil works.	Vulnerable APs include minority ethnic groups, designated poor households, and households headed by women, the elderly or the disabled. This allowance is in addition to any other compensation or allowances to which these APs are entitled.

Source: STWSP Resettlement Framework

5 Information Disclosure, Consultation and Grievance Redress

Disclosure of information and consultations occur during preparation and implementation of the subproject to ensure that APs and other stakeholders have timely information about land acquisition, compensation and resettlement, as well as opportunities to participate in and express their preferences and concerns regarding the resettlement program. The PIU and DRC with assistance from the village WATSANs organizes meetings and consultation, distributes information and takes other steps to keep APs informed.

5.1 RP Information Dissemination and Consultations

To date, the following information dissemination and consultation activities have occurred as an integral part of the preparation of the RP:

Table 8: Viengphoukha RP Information Dissemination and Consultations

Date	Location	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
22.08.07	Vieng-phoukha District Office	District Governor, PNP, OPWT, District Planning Office, LWU, LFNC, village chiefs	15 people (2 women)	<ul style="list-style-type: none"> ▪ Presentation of technical design for subproject ▪ Presentation/discussion of environmental impacts and issues ▪ Presentation/discussion of STWSP land acquisition and resettlement policy; distribution of public information brochure (PIB) ▪ Discussion of specific land acquisition impacts, PNP strategies and related issues

Date	Location	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
23.08.07 & 24.08.07	AP shops	3 APs with displaced shops	3 people (2 women)	<ul style="list-style-type: none"> ▪ Presentation of subproject and land acquisition requirements ▪ Summary of STWSP policies and distribution of PIB ▪ Assessment of AP impacts, entitlements, preferences and concerns
24.08.07	AP land	AP with temporary & permanent acquisition of agricultural land	1 person	<ul style="list-style-type: none"> ▪ Presentation of subproject and land acquisition requirements ▪ Summary of STWSP policies and distribution of PIB ▪ Assessment of AP impacts, entitlements, preferences and concerns

Source: Viengphoukha IOL Consultations

APs are notified in advance about land acquisition, compensation and resettlement activities for the subproject, including among others: (i) public meetings, (ii) carrying out the DMS, (iii) official lists of eligible APs and their entitlements, (iv) compensation rates and amounts, (v) payment of compensation and other entitlements and (vi) other matters such as the grievance redress mechanism. The form of notification includes, as appropriate, notices posted in commune offices or other easily accessible locations; letters, notices or small brochures delivered individually to APs; and, radio announcements.

5.2 Information Disclosure

In compliance with ADB requirements, the PIU assisted by the PCU will ensure the public disclosure of the final RP as endorsed by the PPSC and approved by ADB. The full RP, or a summary or information booklets, will be made available in Lao in a readily accessible location within the subproject area and information booklets will be distributed to all APs. The final RP will also be disclosed on the ADB website.

5.3 Grievance Redress

The following grievance redress mechanism has been adopted for the subproject.

Table 9: STWSP Grievance Redress Procedures

No.	Grievance Redress Procedures
1	Stage 1: In the first instance, APs will address complaints on any aspect of compensation, relocation or unaddressed losses to the village arbitration unit or other designated village grievance officers. The unit will organize a meeting with the complainants to resolve the issue using its traditional methods of conciliation and negotiation; the meeting will be held in a public place and will be open to other APs and villagers to ensure transparency.
2	Stage 2: If within 5 days of lodging the complaint, no understanding or amicable solution can be reached or no response is received from the village arbitration unit, the AP can bring the complaint to the District Resettlement Committee (DRC). The DRC will meet with the AP to discuss the complaint, and provide a decision within 10 days of receiving the appeal.
3	Stage 3: If the AP is not satisfied with the decision of the DRC or in the absence of any response, the AP can appeal to the Provincial Resettlement Committee (PRC). The PRC will provide a decision on the appeal within 10 days.
4	Stage 4: If the AP is still not satisfied with the decision of the PRC, or in the absence of any response within the stipulated time, the AP can submit his/her grievance to DHUP. The DHUP acting on behalf of the MPWT will render within 10 days of receiving the appeal.
5	Stage 5: As a last resort, the AP may submit his/her case to the Court of Law. The complaint will be lodged with the Court of Law; the decision of the Court will be final. Although the technical guidelines for resettlement designate this elevating of the complaint to the local mass organizations, non-benefit organizations and AP representatives, in order to ensure the availability of adequate resources to carry out this procedure, the DHUP will be responsible for forwarding the complaint and ensuring its process in the courts.

6 Compensation, Relocation and Rehabilitation Strategies

6.1 Voluntary Land Contributions

There will be no voluntary land contributions for the Viengphoukha subproject as there is no affected residential land.

6.2 Compensation Strategies

6.2.1 Permanent Land Acquisition

One AP prefers cash compensation for the loss of agricultural land that equals about 10% of his entire productive land holding. This includes 1,200 m² of undeveloped agricultural land and 800 m² of rice paddy. The estimated replacement costs for the undeveloped land and rice paddy are, respectively, 15 million Kip/hectare and 20 million Kip/hectare, as confirmed by the owner and district authorities.

Two of the shop owners are not entitled to compensation for land they rent in the market on a monthly basis. However, the third shop owner has an annual lease and may be entitled to compensation for the remaining value of the lease if he is required to remove from the site before the end of the period for which he has already paid. This will be finalized during the DMS.

6.2.2 Temporary Land Acquisition

The remaining rice paddy (or some part of it) belonging to the AP permanently losing land will be acquired temporarily to permit construction of about 100m of transmission main from the water intake. The proposed strategy is to undertake this work during the dry season when the AP is not growing any crops on his land; and, to return the land to the AP in the same or better condition prior to the start of the next rice-growing season.

If, however, the construction is not finished in one dry season, the AP is entitled to compensation for the rice crop that he will not be able to plant. The area that may be affected is up to 7,000 m²; the current yield for the rice grown on the land is about 2.5 tons/hectare. The compensation would be calculated on this basis, at current market prices for rice at the time of compensation. The contractor and the AP would also agree at that time about the need for land rent if the temporary acquisition extends beyond one dry season.

6.2.3 Affected Trees

The AP losing agricultural land may also lose some of the banana trees that grow on his land. It is estimated that there are 50-100 trees that may be affected by permanent and/or temporary acquisition of the land. Cash compensation will be paid at current market prices at the time of compensation payment.

6.2.4 Affected Structures

The 3 shop owners will permanently relocate and rebuild their shops at new sites. Each of the APs has a structure of approximately the same area and type of construction. The estimated replacement cost for materials and labor to rebuild these structures is 5-7 million Kip, or an average of 6 million Kip, as confirmed by the owners and district authorities. The 3 shop owners will receive a guaranteed stall in the new market that the district is planning to construct, and their market fee will be waived for the first year.

6.3 Relocation Strategies

The choice of new site for the 3 shops that must relocate will be a crucial factor in the ability of the APs to restore their current income levels from their businesses.

Based on the stated preferences of APs, the priority for relocation of each shop will be a new site within the Dongvieng market area, which is scheduled to be rehabilitated by the district government, with the new location providing direct access from a public road to the shop. This is most advantageous for the APs as it relocates them to sites that have similar access and pedestrian traffic conditions to their present locations.

The PIU and the Dongvieng Village Resettlement Committee (VCR) will make concerted efforts to work with the district market administrator and other district officials to identify and guarantee good commercial locations for the shop owners to rebuild their businesses; and, to facilitate consultations and discussions with all parties including the APs. None of the 3 shop owners will be removed from their present locations until: (i) the 3 APs have agreed with the location of new sites and have negotiated a lease with district authorities giving them secure tenure of the new sites; (ii) they have received compensation for the replacement cost of their affected structures as well as moving and rehabilitation allowances (see below); and, (iii) they have had sufficient time to rebuild shop structures and relocate inventory, etc., to their new locations.

The PIU and VCR will also coordinate closely with IEM to monitor the process and the outcomes, addressing issues such as the extent to which AP needs and preferences are considered, their levels of participation in and satisfaction with decision-making and how they are able to re-establish their businesses at new locations and, as required, recommending further strategies to provide assistance.

6.4 Rehabilitation Allowances

6.4.1 Transport Allowance

The 3 shop owners are entitled to assistance in cash or in kind to transport salvaged building materials, new building materials and business inventory to the sites where they will rebuild their shops. The PIU and VRC will coordinate with district officials for the provision of one or more trucks and/or manpower to assist the APs to move; or, the Project will pay APs an appropriate amount of cash allowance to permit them to make their own transport arrangements.

6.4.2 Severely Affected and Vulnerable APs

The AP losing land and the 3 shop owners are all severely affected APs. The AP losing land will lose 10% of his total productive land; the shop owners will relocate to new sites. In addition, all are vulnerable APs because (i) they belong to minority ethnic groups and, in one case, (ii) an AP is the female head of household. Therefore, as per the STWSP Entitlement Matrix, they are entitled to:

- (i) A transition subsistence allowance equal to 16 kg of rice per household member per month, for a period of six (6) months; and,
- (ii) An additional subsistence allowance equal to 16 kg of rice per household member, for one (1) month.

6.5 Minority Ethnic Group and Gender Strategies

In Viengphoukha, all AHs belong to Mon Khmer ethnic groups; one AP is a woman who is the head of her household. In order to address the needs of these AHs, the following measures will be carried out during the planning, implementation and monitoring of the land acquisition, compensation and resettlement activities:

- (i) The Viengphoukha DRC will include representatives of the district offices of the LWU and LFNC. The members of the DRC will also include the chief and/or deputy chief of Dongvieng and Nongkham villages where assets are affected; and, AH members from the Khuan and Samtao ethnic groups. In the case of Dongvieng, the deputy chief is a woman and should be considered as the DRC member from that village.
- (ii) If a VRC is established in Dongvieng village, the female deputy chief will be included as a member and considered to head the VRC.
- (iii) The DRC and/or, if formed, the VRC will consult individually with the 4 APs and their families to ensure that all understand the STWSP policies, entitlements and procedures regarding land acquisition, compensation and resettlement; and, to identify the specific needs and concerns of male and female APs. Meeting individually with these AHs will also ensure that women in the households understand and feel comfortable to speak up.
- (iv) The DRC and/or, if formed, the VRC will consult individually with the two women and the man with displaced shops to ensure that they are satisfied with the options to relocate their

businesses. Any land leases for new locations will be issued in the names of the two women and the man who own and operate the affected shops.

- (v) The compensation payments for the man losing agricultural land will be signed by him and his wife if the land is conjugal property.
- (vi) The DRC will ensure that all severely affected APs receive the transition subsistence allowance regardless of gender; and, that the female household head with the displaced shop receives additional subsistence allowance to which she is entitled as a vulnerable severely affected AP.
- (vii) All information to AHs who are temporarily and/or permanently affected by the subproject will be distributed to men and women equally; and, the DRC and/or VRC will take appropriate steps, as necessary, to encourage women to participate in any public meetings about the subproject.
- (viii) The DRC and/or VRC will collaborate with the WATSAN, particularly in Dongvieng village, to ensure that women and all ethnic groups are targeted for information about the subproject and land acquisition activities.
- (ix) The DRC and/or VRC will also determine whether there is need to communicate with AHs in language(s) other than Lao, in public meetings, individual consultations and/or in written communications.
- (x) All members of AP households regardless of ethnicity or gender are equally eligible to apply and, depending on their qualifications, be considered for employment by the contractor(s) for civil works for the Project.
- (xi) In all core villages, if there is employment associated with the VEI, 30% of new jobs will be reserved for qualified women regardless of their ethnicity.
- (xii) The DRC and, if formed, the VRC will assist the Independent External Monitor (IEM) to monitor the impacts on women and AHs of all ethnic groups, including their ability to restore living conditions, livelihoods and income levels.
- (xiii) All databases and monitoring indicators for land acquisition, compensation and resettlement activities will disaggregate data and other information by gender and ethnicity.
- (xiv) The PIU with support from the PIAC will provide formal and on-the-job training for DRC and, if formed, the VRC to raise their awareness of gender and ethnicity issues and to ensure that they understand and comply with the STWSP policies and procedures for vulnerable AHs.

6.6 Due Diligence during the DMS

The DMS conducted following detailed engineering design for the subproject will encompass (i) confirmation and updating of the IOL results and (ii) a due diligence on compensation and other assistance that may already have been awarded to APs. The due diligence is required because of the district plans to upgrade certain roads in Dongvieng village using provincial funds; as a result, (i) STWSP APs with market shops displaced by the proposed drainage works may have already been displaced by the road works and (ii) the organization and availability of replacement sites for these APs may be affected.

The objective of the due diligence is to confirm compliance with STWSP policies and resolve or remedy any outstanding issues. Specifically, it will address whether or not the shop owners are already removed from their present locations; and, if so, under what conditions, including:

- (i) Details on the types and amounts of compensation and assistance (in cash and/or in kind); and evaluation of whether this assistance meets the STWSP principle of replacement cost.
- (ii) The provisions made to relocate the APs to new commercial locations, provide secure tenure at new locations and rebuild shop structures; and, any costs incurred by the APs to move or acquire alternative locations.

- (iii) The level of business activities and income relative to information obtained during the IOL and the objective to assist APs to restore income levels.
- (iv) Information provided to APs and consultations with them to negotiate and agree acceptable terms of relocation.
- (v) The level of satisfaction and/or concerns and needs of APs to restore businesses and income levels.

7 Resettlement Costs

7.1 Source of Resettlement Funds

All land acquisition, compensation and resettlement costs for the subproject will be financed using provincial counterpart funds.

7.2 Compensation and Allowance Rates

Compensation and allowance rates have been established in the province, at replacement cost based on market prices. The rates are based on data collected during the IOL from APs, district officials and other sources. They will be validated and, as required, adjusted during the DMS.

The proposed compensation and allowance rates for the subproject are indicated as unit costs in the table summarizing resettlement costs (see next section).

7.3 Resettlement Costs

The following table summarizes the subproject resettlement costs including (i) compensation for land, crops, structures and lost business income; (ii) allowances for severely affected and vulnerable APs; and (iii) implementation and contingency costs.

Table 10: Viengphoukha Land Acquisition and Resettlement Costs

		No. APs	Quantity	Unit	Unit Cost (Kip)	Cost (Kip)	Cost (USD) ⁶
I	Land acquisition						
1	Rice paddy (non-irrigated)	1	800	m2	2,000	1,600,000	
2	Other agricultural land	1	1,600	m2	1,500	2,400,000	
II	Crops and trees						
1	Banana trees	1	100	trees	5,000	500,000	
2	Rice harvest	1	1.75	Tons	5,000,000	8,750,000	
III	Structures						
1	Shop structures	3	3	shops	6,000,000	18,000,000	
2	Compensation for lease	1	6	Months	20,000	120,000	
3	Waiver of market fees	3	12	Months	200,000	7,200,000	
IV	Rehabilitation allowances						
1	Moving allowance	3	3	household	300,000	900,000	
2	Loss of income during move	3	4	days	60,000	720,000	
3	Subsistence (6 mo)	4	28	people	864,000	24,192,000	
4	Subsistence (1 mo)	4	28	people	144,000	4,032,000	
V	Sub-total (I-IV)					68,414,000	8,049
VI	Operational/Administrative Cost (15%)					10,262,100	
VII	Contingency (10%)					6,841,400	
VIII	Total					85,517,400	10,061

Source: STWSP PPTA Team

⁶ Exchange rate per July 2008: 1USD = 8,500 kip

8 Institutional Arrangements

The STWSP sets out detailed information on the institutional arrangements for the preparation and implementation of land acquisition, compensation and resettlement for the Project.

For the Viengphoukha subproject, the PIU has overall responsibility for activities related to land acquisition and compensation of APs. The scope of these activities includes (i) conducting the AP census, DMS and due diligence following detailed engineering design; (ii) assessing losses, AP entitlements and requirements for compensation and rehabilitation assistance, including updating the Entitlement Matrix as required; (iii) consulting with all APs to inform them about the subproject impacts, their entitlements, compensation rates, rehabilitation assistance and procedures and schedules for implementation of the RP; (iv) assisting the work of resettlement committees; (v) internal monitoring and regular reporting on land acquisition, compensation and resettlement activities; and, in collaboration with other PIU staff, (vi) ensuring coordination of land acquisition activities and civil works.

The PIU will work in close collaboration with resettlement committees at the provincial and district levels, as well as with village authorities and mass organization representatives in the core villages.

- (i) The Provincial Resettlement Committee (PRC) will certify official lists of APs following the DMS, also certify the compensation rates based on updated surveys of replacement costs, review and formally endorse the updated RP and ensure disbursement of funds from the provincial treasury to cover the costs of compensation and, as required, rehabilitation assistance.
- (ii) The DRC will prepare the official list of APs following the DMS and sign compensation documents identifying the entitlements and compensation amounts to be paid to each AP. In addition, the members of the DRC will act as grievance officers to hear and resolve complaints that cannot be dealt with at the village level.
- (iii) The village leaders will assist the DRC particularly with the distribution of information to APs and other residents and the organization of public meetings and/or individual consultations with APs. The village arbitration unit or, if it does not exist, the village chief and elders will hear and resolve any complaints from APs and other stakeholders. The village representatives of the LWU and/or LFNC will be available to assist to ensure that all APs understand, agree or, if not, have opportunities to express their concerns.

In Viengphoukha, the location and severity of potential impacts may require additional measures to ensure participation of APs and other stakeholders.

- (i) In Dongvieng village, the 3 shop owners are severely affected due to displacement of their shops. In consultation with the village leadership, the CAT may recommend that a VRC be formed to assist with implementing and monitoring the provisions of the RP. The VRC should include at least 1 of the APs as a member; if there is no VCR, at least 1 of the APs should be a member of the DRC.
- (ii) The land required for the water intake, access road and part of the transmission main is located in Nongkham village which is not one of the core villages. Nonetheless, the CAT will work with the DRC to ensure representation of this village in the membership of the DRC.

The PCU will (i) review and endorse the updated RP prior to submitting to WREA and ADB for review and approval, (ii) review internal monitoring reports and IEM reports and report regularly to ADB on progress and completion of land acquisition, compensation and resettlement activities; and, (iii) ensure coordination of land acquisition and civil works activities and compliance with conditions for the award of civil works contracts.

- (i) The PCU will recruit an IEM at the beginning of the STWSP. The responsibility of the IEM is to carry out external monitoring of all land acquisition, compensation and resettlement activities, and conduct evaluations to ensure that APs are able to restore livelihoods and living conditions.
- (ii) The PCU will also recruit a Project Implementation Assistance Consultant (PIAC) to provide technical assistance and guidance to the PIU and other parties involved in land acquisition, compensation and resettlement activities.

9 Monitoring

9.1 Internal Monitoring for the Subproject

The scope of internal monitoring to be carried out by the PIU assesses (i) compliance with the STWSP resettlement policies and procedures and (ii) the availability and efficient use of personnel, material and financial resources; and, identifies the need for (iii) remedial actions to correct any problems that arise.

The PIU prepares a monthly progress report on the resettlement activities of the subproject, and submits it to PCU. The report includes information on key monitoring indicators, namely:

- (i) Affected people and compensation: the number of APs by category of impact; the status of delivery of compensation and subsistence, moving and other allowances.
- (ii) Status of rehabilitation and income restoration activities: The number of APs severely affected by a) loss of productive assets and/or b) displacement; the number of vulnerable APs; the status of relocation of displaced APs; the status of technical and other assistance for income restoration.
- (iii) Information disclosure and consultation: number and scope of public meetings and/or consultations with APs; status of notifications to APs; summary of AP needs, preference and concerns raised during meetings and consultations.
- (iv) Complaints and grievances: summary of types of complaints received; steps taken to resolve them; outcomes; and, any outstanding issues requiring further management by district or provincial authorities or ADB assistance.
- (v) Financial management: the amount of funds allocated for compensation, operations and other activities; the amount of funds disbursed for each.
- (vi) Resettlement schedule: completed activities as per schedule; delays and deviances, including reasons; revised resettlement schedule.
- (vii) Coordination of resettlement activities with award of contract for civil works: status of completion of resettlement activities and projected date for award of civil works contracts.
- (viii) Implementation problems: problems that have arisen, reasons and proposed strategies to remedy; outstanding issues.

Upon receipt of monthly reports, the PCU consults with PIU to clarify and/or resolve any outstanding issues. On a quarterly basis, the PCU collates the monthly progress reports for the subproject and prepares a Project monitoring report to be submitted to ADB.

9.2 External Monitoring of AHs

The IEM is responsible for monitoring of all activities related to updated and implementing the LACP; and, to assess whether AHs are able to restore their living conditions, livelihoods and incomes to pre-subproject levels and, if not, to recommend remedial actions to assist AHs. The IEM conducts socio-economic surveys of AHs on a bi-annual basis and one year following completion of compensation payments; and, monitors resettlement activities including, among others, the DMS, payment of compensation and allowances, rehabilitation and income restoration activities, public meetings and consultations, and the grievance redress process.

The PIU and DRC will support the work of the IEM in the following ways: (i) collect baseline socio-economic data from AHs during the DMS; and, make all DMS data, official AP lists and other relevant data available to the IEM; (ii) assist the IEM, as required, during follow-up socio-economic surveys and consultations with APs; and (iii) facilitate the IEM to participate in, monitor and receive relevant information about resettlement activities.

10 Implementation Schedule

The implementation schedule for land acquisition, compensation and resettlement activities for the subproject is presented in the following table including (i) activities that have been completed to prepare the RP; (ii) resettlement implementation activities; and, (iii) external monitoring activities.

Table 11: Viengphoukha RP Implementation Schedule

Main RP Activities	Implementation Schedule
Prepare RP	
Detailed engineering studies and design	Month 1
Recruit IEM	Month 1
Conduct DMS and due diligence	Month 3
Public meeting and consultations with APs on draft RP	Month 3
Finalize updated RP and submit to PRC and DHUP for review and endorsement	Month 4
WREA and ADB approval of RP	Month 6
Implement RP	
Compensation payments	Month 7
Implement rehabilitation measures	Month 7
Clearance of acquired land	Month 7
Award of civil works contract	Month 8
External Monitoring	
PCU awards contract and mobilizes IEM	Month 1
IEM participates in DMS and establishes AP socio-economic baseline	Month 3
IEM conducts post-resettlement survey and final monitoring report	Month 13

Source: STWSP PPTA Team

Attachment 1: Viengphoukha Screening Form

Small Towns Water Supply and Sanitation Sector Project

LAND ACQUISITION AND RESETTLEMENT CATEGORIZATION

A. Introduction

Each subproject of the Small Towns Water Supply and Sanitation Sector Project (STWSP) is assigned an involuntary resettlement category depending on the **significance** of the probable involuntary resettlement impacts.

B. Information on STWSP Subproject

Subproject town / district	Viengphoukha
Province	Luangnamtha
Scope of subproject (description of the nature and scope of works)	
a) Water supply system	Construction of water supply system including (i) water intake (400 m ²), (ii) access road (200m); (iii) transmission main (2.5 km); (iv) water treatment plant (1 hectare); (v) distribution and reticulation network (8 km).
b) Drainage and sanitation	Upgrading 140m of existing primary drain and construction of 200m new primary drain in Dongvieng market
c) Other	N/A

C. Screening Questions for Resettlement Categorization

Initial screening for involuntary resettlement is to be conducted during preparation of the STWSP Feasibility Study for the subproject (based on preliminary engineering design).

Involuntary Resettlement Effects	Yes	No	Extent of Impacts And Other Remarks
Does the subproject include upgrading or rehabilitation of existing physical facilities?	X		
Does the subproject include the construction of new physical facilities?	X		
Will it require permanent land acquisition?	X		
Is the ownership status and current usage of the land known?	X		
Are there any non-titled people who live or earn their livelihood on affected land?		X	
Will there be loss of housing?		X	
Will there be loss of agricultural plots?	X		
Will there be losses of crops, trees and fixed assets?	X		
Will there be loss of businesses or enterprises?	X		Displacement of 3 shops; temporary disruption of 6 shops
Will there be loss of incomes and livelihoods?	X		Displacement of 3 shops; temporary disruption of 6 shops
Will people lose access to facilities, services, or natural resources?		X	
Will any social or economic activities be affected by land use-related changes?		X	

D. Involuntary Resettlement Category

LAO: Small Towns Water Supply and Sanitation Sector Project

After reviewing the answers above, the PIU and District Resettlement Committee agree subject to confirmation, that the subproject is a:

[X]	Category B , Not significant* land acquisition and resettlement impacts: a Land Acquisition and Compensation Plan (LACP) is required.
	LACP to be submitted to ADB by [to be determined]
* Not significant: Less than 200 people (approximately 35 households) will experience major impacts that are defined as (i) being physically displaced from housing and/or shops or (ii) losing 10% or more of productive land or other income-generating assets.	
[]	Category C , No land acquisition and resettlement impacts: No LACP is required.

If Category B, please provide information on affected people (APs):

Affected Persons	Yes	No	Description (Numbers of APs, current situation)
Any estimate of the likely number of households that will be affected by the subproject?	X		Permanent losses: 4 APs (28 people); temporary loss of land: 1 AP.
Are any of them designated poor households?		X	
Are any of them households that belong to minority ethnic groups?	X		All APs belong to Mon-Khmer ethnic groups.
Are any of them households headed by women, elderly or disabled persons?		X	

Prepared By:	Verified by:
Signature:	Signature:
Name:	Name:
Position:	Position:
Date:	Date:

Attachment 2: List of APs and Affected Assets

AP Information						Permanent Land Acquisition			Temp. Land Acquisition (m2)	Trees	Displaced Structures	
AP Name	Sex	No. People/ HH	Poor	Minority Ethnic Group	Female HH Head	Rice Paddy (m2)	Other Agric. Land (m2)	%. Land Holding			Type	Area (m2)
Water intake, access road and 100m transmission main (Nongkham Village)												
Mr. Khamdy	M	7	No	Yes	No	800	1,600	11.1	7,000	50	50	
Upgrading primary drains (Dongvieng Village)												
Mr. Mai Inta	M	2	No	Yes	No						Shop 50	
Mrs. Ounsy	F	3	No	Yes	Yes						Shop 40	
Ms. Keo	F	4	No	Yes	No						Shop 40	

Attachment 3 : Public Information Brochure

SMALL TOWNS WATER SUPPLY AND SANITATION SECTOR PROJECT (STWSP)

LAND ACQUISITION PUBLIC INFORMATION BROCHURE

VIENGPHOUKHA

QUESTION: WHAT IS THE STWSP?

Answer: The Government of the Lao PDR is using funds from the Asian Development Bank and other sources to improve access to clean, safe water, proper sanitation facilities and urban drainage in about 11 towns.

In Viengphoukha, a new water supply system will be constructed to supply water to the core villages of Dongvieng, Thio and Mai. Water will be taken from the Nam Chouk River; the water treatment plant will be built on public land. Drainage will also be improved at the Dongvieng market. Core villages will also be able to improve drainage and household sanitation.

The Ministry of Public Works and Transport (MPWT) is the Executing Agency for the Project. In each province and district, a Project Implementation Unit will be established under the DPWT. Village committees will help inform and consult people about the Project.

QUESTION: WHEN WILL THE PROJECT START?

Answer: A Feasibility Study for the project in Viengphoukha has been completed. When this is approved, the detailed engineering design will begin. Construction will start in 2010. However, the Project will keep you informed about progress and important dates.

A study has been made on the amount of land needed for the project and how many people will be affected. This study will be updated in more detail after the engineering design by a Detailed Measurement Survey (DMS). The PIU and village officials with help from Project consultants will identify who is affected by land acquisition and document affected land, structures and crops. They will also organize meetings and consultations in each village to keep you fully informed about these activities and provide you with opportunities to discuss your preferences, needs and concerns about all aspects of the land acquisition program.

QUESTION: WHAT IS THE MAIN OBJECTIVE OF THE LAND ACQUISITION PROGRAM?

Answer: The main objective of the program is to ensure that all people affected by land acquisition (affected people or APs) will be at least as well-off, if not better-off, than they would have been without the Project.

QUESTION: HOW WILL THE STWSP AFFECT PEOPLE IN VIENGPHOUKHA?

Answer: As much as possible, the water intake, treatment and storage facilities will be built on public land and the water pipes will be located in road rights-of-way. This will minimize the number of households that will be affected. However, some households may lose small amounts of land or structures and crops. Some shops in the Dongvieng market may have to relocate temporarily. A preliminary census and inventory of losses (IOL) was carried out in August-September 2007 to identify potentially affected people. You will be informed about the results.

QUESTION: WHAT IF MY LAND OR OTHER ASSETS ARE AFFECTED BY THE PROJECT?

Answer: The Project will provide compensation and rehabilitation to eligible APs whose land and other assets are permanently acquired or temporarily affected by the Project. The following summarizes the proposed entitlements for the Project.

STWSP Compensation Policy		
Type of Loss	Eligible APs	Entitlements
Loss of Land (Residential/	Legal users with recognized land	▪ Permanent loss of land. For major impacts (i.e., 10% or more of total productive/ commercial land area lost), full title to replacement land as

STWSP Compensation Policy		
Type of Loss	Eligible APs	Entitlements
Agricultural/ Other)	use rights; users with temporary or lease rights	<p>a priority, or cash compensation at replacement cost at current market value. For marginal losses (i.e., less than 10% of total productive/commercial land), cash compensation for lost land at replacement cost at current market value.</p> <ul style="list-style-type: none"> ▪ Voluntary contributions of residential land. APs may choose to donate small amounts of residential land without compensation if: (i) the total area of the residential land is at least 300 m²; (ii) the affected land is 5% or less of the total area; and, (iii) there are no structures, crops or trees on the affected land. The voluntary contribution will be witnessed by an independent third party, e.g., LWU. ▪ Temporary loss of land. Cash compensation for loss of net income, damaged assets, crops and trees at current market value and restoration of land to former state.
Loss of Structures (residential and commercial structures, and simple shops)	Owners of structure regardless of land use rights; residential and business tenants	<ul style="list-style-type: none"> ▪ Owners of structures. Loss of structure compensated in cash at full replacement cost equal to current market prices for materials, transport of materials and labour, with no deduction for depreciation or salvaged materials. ▪ APs that rebuild structures on remaining or new land. The Project contractor will improve land (e.g., land fill and/or levelling) at no cost to APs to provide adequate building site. ▪ Tenants of residential/commercial structures. Cash assistance equivalent to three months rental allowance, transition subsistence allowance, and transport assistance (cash or kind) to a new site.
Loss of business income	APs with businesses that are disrupted but do not relocate	<ul style="list-style-type: none"> ▪ A cash allowance equal to the provincial daily wage or the average daily revenues whichever is higher, multiplied by the number of days of business disruption.
Loss of crops and trees	All APs regardless of land use rights	<ul style="list-style-type: none"> ▪ Notice to harvest annual crops, if possible. ▪ For annual crops that cannot be harvested, cash compensation equivalent to current market prices times the average yield/crop calculated over the past three (3) years. ▪ For fruit and timber trees, cash compensation equivalent to current market value given the type, age and productive value at the time of compensation. ▪ In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.
Loss of common property resources	Villages, village authorities, mass organizations	<ul style="list-style-type: none"> ▪ For common property resources, the affected land will be replaced in areas identified in consultation with affected communities and relevant organizations. ▪ Affected buildings and structures will be restored to original or better condition

QUESTION: DO WE NEED TO HAVE A LAND TITLE TO BE COMPENSATED?

Answer: No. If you do not have formal legal rights to land you may still receive compensation and other assistance. APs that have registered title, Land Certificates (Form 01) or any forms of written or verbal agreements to utilize the land are entitled to compensation for the lost land and assets (including crops) and assistance. APs that do not have recognized rights to land will still be compensated for the assets on the land, such as any structures, crops and trees and provided other assistance to help them restore living conditions and income-generating activities.

QUESTION: HOW AND WHEN WILL WE BE PAID?

Answer: All compensation will be paid at replacement cost based on current market prices. A replacement cost survey will determine current market prices for different types of assets. Compensation rates will be established for each type of asset (land, structures, trees, etc.). You will be consulted about the proposed compensation rates before they are made official.

QUESTION: HOW ELSE CAN THE PROJECT HELP?

Answer: The Project will provide rehabilitation assistance to ensure that the standard of living of APs is maintained or improved after the Project. Proposed rehabilitation measures include:

STWSP Rehabilitation Assistance	
Eligible APs	Entitlements
<p>APs that lose 10% or more of total productive land and/or other income sources</p> <p>APs that permanently relocate house and/or shop</p>	<ul style="list-style-type: none"> ▪ A subsistence allowance for a period of three (3) months equal to 16 kg of milled rice per household member per month, for relocating APs without any impact on business or main source of income. ▪ A subsistence allowance for a period of six (6) months equal to 16 kg of milled rice per household member per month, for (i) relocating APs with impact on business or main source of income and (ii) APs losing 10% or more of their productive land.
<p>APs that permanently relocate house and/or shop to new location</p>	<ul style="list-style-type: none"> ▪ Assistance in cash or in kind to move structures, salvaged materials, new building materials and personal possessions to new site.
<p>Vulnerable APs including designated poor households, minority ethnic groups or female-headed households</p>	<ul style="list-style-type: none"> ▪ An additional subsistence allowance for a period of one (1) month equal to 15 kg of milled rice per household. This allowance is in addition to any other compensation or allowances to which these APs are entitled. ▪ Eligible to participate in income restoration programs if required for subproject. ▪ Contractors will make all reasonable efforts to recruit severely affected and/or vulnerable APs as labourers for subproject civil works.

QUESTION: CAN ANYBODY IN OUR COMMUNITY CLAIM COMPENSATION?

Answer: No. APs are eligible for compensation and assistance under the STWSP if they already own or occupy affected land and other assets before the Project cut-date. The cut-off date will be the date of the end of the DMS that will be carried out following detailed engineering design. Anyone moving into the Project area after cut-off date will not be eligible for compensation and assistance under the Project.

QUESTION: WHAT IF I HAVE BEEN TOLD TO MOVE BUT WAS NOT INCLUDED IN THE DMS?

Answer: APs will be fully informed about the dates for the DMS and asked to be present when the PIU and village officials come to their house or business. If APs are not in the village or for other reasons cannot be available at the time of the DMS, the PIU will establish procedures including the types of documents that APs will be required to produce to document their claims to eligibility for compensation under the STWSP.

QUESTION: HOW WILL WE BE CONSULTED AND INFORMED?

Answer: The STWSP will provide complete and timely information to APs about the Project, including all activities related to land acquisition. Meetings will be organized in core villages and up-to-date information brochures will be distributed. APs will receive information about the Project, land acquisition impacts, AP rights and entitlements to compensation and assistance, grievance redress mechanisms, opportunities for APs to participate in resettlement activities, the responsibilities of local officials and other agencies and implementation schedule.

Special consultations will be conducted with APs, for example, to arrange temporary relocation of shops to permit the drainage works in the market, or to develop appropriate rehabilitation strategies for other APs that are severely affected or vulnerable. The PIU and village authorities will keep you informed about these consultations, particularly after the DMS.

QUESTION: WHAT IF WE DISAGREE?

Answer: APs can voice their complaints on any aspect of land acquisition, compensation, resettlement and implementation in verbal or written form and they will be addressed in a timely and satisfactory manner. APs will first address their complaints to their village chief and/or arbitration unit; if they are not satisfied with the outcome, they can appeal to the district and provincial levels and, ultimately, to the courts. APs can ask for help from mass organizations, family members, friends or other people to file their complaints. APs will be exempted from all taxes, administrative and legal fees.

QUESTION: AS A RESIDENT IN THE PROJECT AREA, HOW CAN I HELP?

Answer: We would like you to participate in all consultation meetings and other project related activities to ensure that you are fully informed and consulted. Your active participation during surveys and implementation of the resettlement program helps us to find ways to mitigate impacts, to identify problems and to identify ways of solving these problems.

For further information. Please contact:

Viengphoukha

Tel:

Fax:

Add:

Attachment 4: Voluntary Contribution Consent Declaration

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Province:

District:

Village:

I,

Name:

Age:

with residence located in village,

certify that I have been previously informed by the local authority of my entitlement to compensation for any loss of property (house, land and trees) that might be caused by the construction of water supply system or urban environmental (development) improvements in district, village. I confirm that I voluntarily accept the land of square meters located in village to be provided to the local authority. I also confirm that I do not request any compensation for loss of (land, houses, structures, trees, crops) and would request the local authority to consider this as my contribution to the project.

Type of Loss	Area (sqm)/Unit	Unit Rates	Total	Comment
Land				
Houses				
Structures				
Crops				
Trees				
Other				
Total				

Therefore, I prepare and sign this certificate for the proof of my decision.

Date: District

Signature:

The owner/user of the land/house/structure/crops/trees Wife/Husband

Witnesses:

1.

2.

Certified by the Chief of the Village:

The Chief of DRC:

Certified by the external monitor:

Attachment 5: Resettlement Steps Scheduling from DMS to Construction

- Step 1: PIU meet with consultants to have procedure explained
- Step 2: PIU identify new APs, measure their losses and provide them with a copy of the Public Information Booklet
- Step 3: PIU visit APs from previous survey who are no longer APs because of changes in the design and explain that they are not APs anymore and let them sign the form (with their spouse)
- Step 4: PIU conduct Detailed Measurement Survey (DMS) to record any losses for compensation and rehabilitation according to the finalized design. This should be in the presence of APs, village head, district official, and a member from the Lao Women's Union or Lao Front for National Construction.
- Step 5: PIU starts to write the compensation declaration forms for every AP. The final compensation rates will come later.
- Step 6: Data from the DMS are sent back to PCU where they will be processed. RP will be updated, finalized and send to ADB.
- Step 7: Consultant will go to subprojects with the finalized RP and IOL (also brings receipts for compensation payments). Compensation Declaration forms for all APs can now be filled out by PIU.
- Step 8: PIU distributes the compensation declaration forms to all APs. APs are also informed they can view the RP at the PIU's office.
- Step 9: APs have 14 days to view the RP, sign and return back the forms or decide to object. Objections should be directed to Village head or the chief of a mass organization in the village first. If that does not solve the problem, the objection should go to the district officials or Grievance Redressal Committee or PIU. If that does not solve the problem, the local resettlement consultant or the independent monitoring organization can be asked to help. If all that does not help the case can be brought to PCU or MPWT. If the problem is still not be Court. APs should be exempted from all taxes, administrative and legal fees.
- Step 10: PIU will oversee payments to be done to the APs who returned the compensation declaration forms and APs will sign a receipt upon payment and be given a copy.
- Step 11: Payment receipts should be kept in the PIU and a copy should go to PCU and/or independent monitoring organization.
- Step 12: Payment receipt reports and reports on planned replacement works will be sent by PCU to ADB to signal completion of the resettlement process.
- Step 13: PIU should inform APs to clear the identified areas 2 weeks before construction works start.

Attachment 6

Declaration for Affected Persons

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Province:

District:

Village:

Hereby it is declared that the household headed by

Name:

Age:

with residence located in village,

is affected by the water supply project and has been previously informed by the local authority of their entitlement to compensation for any loss of property (house, land and trees) that might be caused by the construction of water supply system or urban environmental (development) improvements in district, village. I confirm that I will loose land of square meters located in village to be provided to the local authority. I also confirm that I request compensation for the loss of (land, houses, structures, trees, crops) and would request the authorities to honour this obligation of the project.

Type of Loss	Area (sqm)/Unit	Unit Rates	Total	Comment
Land				
Houses				
Structures				
Crops				
Trees				
Other				
Total				

Therefore, I sign this declaration of my entitlement to compensation.

Date:

..... District

Signature:

.....

The owner/user of the land/house/structure/crops/trees

Wife/Husband

Witnesses:

1.

2.

Certified by the Chief of the Village:

The Chief of DRC:

Attachment 7: Receipt of Compensation Payment for Affected Persons

LAO PEOPLE'S DEMOCRATIC REPUBLIC

Province:

District:

Village:

Hereby it is declared that the household headed by

Name:

Age:

with residence located in village,

has received compensation payment according to the previous agreement with the water supply project. It has been previously informed by the local authority of their entitlement to compensation for any loss of property (house, land and trees) that might be caused by the construction of water supply system or urban environmental (development) improvements in district, village.

Foreseen losses by the above mentioned household are summarized in the table below:

Type of Loss	Area (sqm)/Unit	Unit Rates	Total	Comment
Land				
Houses				
Structures				
Crops				
Trees				
Other				
Total				

Head of household signs below to confirm payment of compensation.

Date: District

Signature:
.....

The owner/user of the land/house/structure/crops/trees Wife/Husband

Witnesses:

1.

2.

Certified by the Chief of the Village: The Chief of PIU

PCU