

# Land Acquisition and Compensation Plan

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## Lao PDR: Small Towns Water Supply and Sanitation Sector Project

Huoixai

**July 2008**

Prepared by: Lao Ministry of Public Works and Transport

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## 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

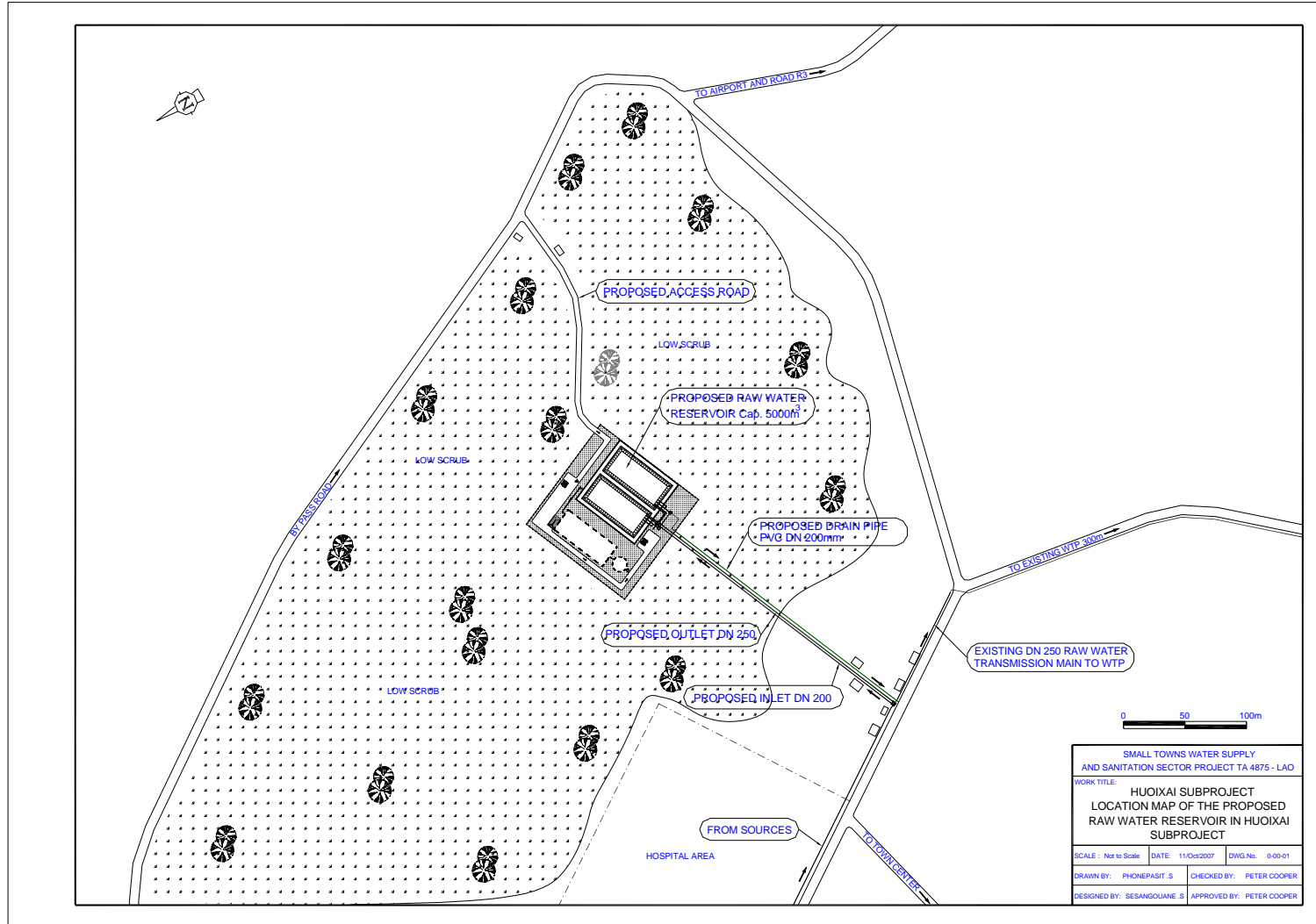
ADB	Asian Development Bank
AP	affected person(s)
CAPP	Community Action and Participation Program
CHAS	Community Health Awareness Support
CPP	Community Participation Plan
DHUP	Department of Housing and Urban Planning
DMS	detailed measurement survey
DPWT	Department of Communication, Transport, Post and 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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## Huoxiai 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 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 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).

In Huoixai Province, the STWSP will rehabilitate the existing PNP water supply system serving 8 core villages in the provincial town. The rehabilitation of the system will involve the construction of a raw water storage reservoir to increase capacity and reliability of service throughout the year, and an access road to the reservoir.

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

### Land Acquisition and Resettlement Impacts

The following table summarizes the impacts of the water supply system on public and private land and other assets.

#### Summary of Land Acquisition, Raw Water Storage Reservoir

Water System Component	Public Land (Bokeo Village)		Private Land (Bokeo Village)					
	Area (m <sup>2</sup> )	No. AHs	AH Name	Permanent Land Acquisition			Temporary Land Acquisition	
				Land Type	Area (m <sup>2</sup> )	% Loss	Land Type	Area (m <sup>2</sup> )
Water reservoir	6,750	0	Mr. Cham	Plantation	1,250	11		0
			Mrs. Chanthone	Residential	500	100		0
			Mr. Ounkham	Residential	500	100		0
			Mr. Champheng	Residential	500	100		0
			[Name to be added]	Residential	500	100		0
Inlet-outlet pipes	0	0	Mrs. Foing		0		Residential	200
Access road	800	0			0			0

Source: Huoixai IOL, STWSP

### Severely Affected APs

There is one severely affected AP (Mr. Cham), who will lose of about 11% of his productive land.

### Information Dissemination and Consultations

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

### Huoxai RP Information Dissemination and Consultations

Date	Location	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
21.08.07	Huoxai District Office	PNP, OCTPC, District Planning Office, LWU, LFNC, village chiefs	11 people (2 women)	<ul style="list-style-type: none"> <li>▪ Presentation of technical design for subproject</li> <li>▪ Presentation/discussion of environmental impacts and issues</li> <li>▪ Presentation/discussion of STWSP land acquisition and resettlement policy; distribution of public information brochure (PIB)</li> <li>▪ Discussion of specific land acquisition impacts, PNP strategies and related issues</li> </ul>
21.08.07	AP residence	AP losing productive land	5 people (2 women)	<ul style="list-style-type: none"> <li>▪ Presentation of subproject and land acquisition requirements</li> <li>▪ Summary of STWSP policies and distribution of PIB</li> <li>▪ Assessment of AP impacts, entitlements, preferences and concerns</li> </ul>
21.08.07	AP residence	AP with potential impacts on structure & business income	3 people (1 woman)	<ul style="list-style-type: none"> <li>▪ Presentation of subproject and land acquisition requirements</li> <li>▪ Summary of STWSP policies and distribution of PIB</li> <li>▪ Assessment of AP impacts, entitlements, preferences and concerns</li> </ul>
24.08.07	Huoxai Provincial Hospital	3 of 4 APs losing residential land	3 people (1 woman)	<ul style="list-style-type: none"> <li>▪ Presentation of subproject and land acquisition requirements</li> <li>▪ Summary of STWSP policies and distribution of PIB</li> <li>▪ Assessment of AP impacts, entitlements, preferences and concerns</li> </ul>

Source: Huoxai IOL Consultations

### Land Acquisition Costs

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

#### Huoxai Land Acquisition and Resettlement Costs

		No. AHs	Quantity	Unit	Unit Cost (Kip)	Cost (Kip)	Cost (USD)
<b>I</b>	<b>Land acquisition</b>						
1	Plantation land	1	1,250	m <sup>2</sup>	140,000	175,000,000	
2	Residential land	4	500	m <sup>2</sup>	196,000	392,000,000	
<b>II</b>	<b>Crops and trees</b>						
1	Teak trees	1	125	Trees	100,000	12,500,000	
2	Fruit trees (seedlings)	1	110	Trees	20,000	2,200,000	
<b>III</b>	<b>Sub-total (I-II)</b>					<b>581,700,000</b>	<b>68,435</b>
<b>IV</b>	Operational/Administrative Cost (15%)						87,255,000
<b>V</b>	Contingency (10%)						58,170,000
<b>VI</b>	<b>Total</b>					<b>727,125,000</b>	<b>85,544</b>

Source: STWSP PPTA Team

## Implementation Schedule

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

### Huoixai LACP Implementation Schedule

Main RP Activities	Implementation Schedule
<b>Preparations</b>	
Detailed engineering studies and design	Month 1
Recruit IEM	Month 1
Conduct DMS and due diligence	Month 3
Public meeting and consultations with APs	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
<b>Implement RP</b>	
Compensation payments	Month 7
Implement rehabilitation measures	Month 7
Clearance of acquired land	Month 7
Award of civil works contract	Month 8
<b>External Monitoring</b>	
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 existing PNP water supply system provides treated water to households living in 8 core villages although there are severe shortages during the dry season. The STWSP rehabilitation of the system will involve the construction of a raw water storage reservoir to increase capacity and reliability of service throughout the year. The subproject components include:

- (i) Raw water storage reservoir: A 5,000 m<sup>3</sup> storage reservoir will be constructed on a 1-hectare site on a hill above the provincial hospital in Bokeo village.
- (ii) Inlet and outlet pipes: A 450m inlet pipe and a 250m outlet pipe will connect the reservoir with an existing transmission main leading to the water treatment plant.
- (iii) Access road: A 4m-wide access road will be constructed in the alignment of an existing footpath to provide access to the reservoir; the length of the access road is about 200m.

### 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 impacts<sup>1</sup>:

- (i) The number of affected households (AHs) that will lose land, structures and/or trees: 1 household (7 people) will permanently lose productive land; 4 AHs (12 household members<sup>2</sup>) will permanently lose residential land; 2 AHs will lose trees; and, 1 AH will have land temporarily acquired that may disrupt a business.
- (ii) The number of AHs that will lose 10% or more of their productive land, income or other productive assets: 1 AH will lose about 11% of his productive land.
- (iii) The number of AHs that will relocate and rebuild houses and/or shops on new land: none, as the 4 AHs losing their residential land have not yet built houses on the affected land.

According to STWSP policies, 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 RP has been prepared<sup>3</sup>.

The Huoixai Land Acquisition and Resettlement Screening Form is included in Attachment 1. It has been completed based on data collected during the inventory of losses (IOL). A similar form will be

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<sup>1</sup> A more detailed presentation is included in Section 2 below.

<sup>2</sup> The number is not known precisely because one AP was not available to be interviewed during the IOL.

<sup>3</sup> 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 RP fulfills the ADB requirements for a short resettlement plan that would be prepared for subprojects with non-significant land acquisition and resettlement impacts.

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 Land Acquisition and Compensation Framework (RF). It includes the following sections:

- (i) Section II – Scope of Land Acquisition and Resettlement: Summary of DMS findings on the numbers of affected people (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 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 AHs 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.
- (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 site for the raw water storage reservoir is largely unused public land; (ii) the inlet and outlet pipes will be located under footpaths and in existing ditches to minimize loss of private land and displacement of structures; and, (iii) the width of the access road will be kept to a minimum to avoid acquiring private land or displacing structures.

### **2.2 Inventory of Losses**

The 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, representatives of the Huoixai PNP and district and village officials.

- (iv) A total of 5 AHs were interviewed including 4 AHs losing land permanently and 1 AH with temporarily acquired land. One AH permanently losing land was out of town and could not be interviewed [Note: The EA is following-up on the requested information. Due diligence will be completed during appraisal].

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

## 2.3 Land Acquisition Requirements

The following sections summarize the extent of land acquisition for construction of the raw water reservoir to rehabilitate the water supply system. This includes the following subcomponents:

- (i) Raw water storage reservoir: The water reservoir will require an area of 1 hectare (100 m x 100 m). The site is a combination of undeveloped private residential land (4 plots totaling 2,000 m<sup>2</sup>); private plantation land (1,250 m<sup>2</sup>); and, vacant public land (6,750 m<sup>2</sup>).
- (ii) Inlet and outlet pipes: The pipes will be aligned under a combination of public and private land. The public land is unallocated and the preferred pipe alignment is under an existing footpath and/or immediately adjacent to a drainage ditch. The private land is residential; the alignment of the pipes may require temporary acquisition to dig trenches and lay pipe, but should not displace any structures.
- (iii) Access road: The access road will be developed on public land where there is an existing footpath; there will be no land acquisition required.

**Table 1: Summary of Land Acquisition, Raw Water Storage Reservoir**

Water System Component	Public Land (Bokeo Village)		Private Land (Bokeo Village)					
	Area (m <sup>2</sup> )	No. AHs	AH Name	Permanent Land Acquisition			Temporary Land Acquisition	
				Land Type	Area (m <sup>2</sup> )	% Loss	Land Type	Area (m <sup>2</sup> )
Water reservoir	6,750	0	Mr. Cham	Plantation	1,250	11		0
			Mrs. Chanthone	Residential	500	100		0
			Mr. Ounkham	Residential	500	100		0
			Mr. Champheng	Residential	500	100		0
			TBD	Residential	500	100		0
Inlet-outlet pipes	0	0	Mrs. Foing		0		Residential	200
Access road	800	0			0			0

Source: Huoixai IOL, STWSP

## 2.4 Public Land

Two-thirds of the water reservoir site is public land, as is the alignment of the access road and parts of the proposed alignment for the inlet and outlet pipes. This land is generally vacant; there are no users with allocated rights to these properties; and, except for the noted footpaths, the land is not being used.

This land is presently under the management of the Bokeo Land Department. The PNP has made a formal request to the Governor for transfer of the land required for the reservoir site, including the 4 residential plots and the affected portion of plantation land.

## 2.5 Private Land

Temporary or permanent acquisition of private land will affect 5 households in Bokeo village, one of the core villages included in the subproject.

### 2.5.1 Residential Land

In 1996, the provincial hospital requested the provincial Governor to allocate residential land for hospital staff with families to permit them to construct housing and move out of hospital living

quarters; in 2003, this request was approved and by 2006 4 households had been allocated plots on the hill above the hospital where the water reservoir will be constructed.

Each plot has an area of 500 m<sup>2</sup> (20 m x 25 m). The 4 households have each been issued a Land Certificate (Form 01) for their land. One AP, Mr. Champheng, has planted some trees and annual crops on his land; the other three households have made no investments or development on their land. None of the APs has built a house primarily because the plots are not accessible by road.

### **2.5.2 Plantation Land**

One AP, Mr. Cham, has a total of 11,750 m<sup>2</sup> of plantation land, of which 1,250 m<sup>2</sup> (25 m x 50 m) is required for the water reservoir site. This land was acquired in the 1980's and Mr. Cham has a Land Certificate (Form 01) for the land. During the IOL, he indicated that one or more of his adult sons has been allocated the land within the family although the Land Certificate form is in his name.

Mr. Cham has used his land to plant teak trees. However, based on visual inspection of the site and discussions with Mr. Cham, neither he nor his sons actively maintains this tree plantation or harvests trees for sale. Although an asset, the plantation is not a major source of household income.

### **2.5.3 Land Temporarily Acquired**

The alignment for the inlet and outlet pipes passes on the border of or through several private properties. Based on visual inspection of the proposed alignment, the portions of private land that are affected are, in general, not currently developed, e.g., for gardens, tree plantations or structures. Therefore, temporary acquisition would be possible without any loss of assets.

In one instance, the proposed alignment may need to be adjusted to avoid displacing a permanent structure on one property; this property belongs to Mrs. Foing. The proposed alignment is adjacent to a drainage ditch on the border of the property; a permanent kitchen structure made of brick and concrete that is used to operate a business as well as for household purposes is constructed on the property line adjacent to the ditch. During detailed engineering design, an alternative alignment through an open area on the property will be evaluated in order to avoid displacing the structure.

## **2.6 Loss of Crops and Trees**

Two APs will lose trees planted on their affected land:

- (i) Mr. Cham will lose the teak trees growing on his affected land. The PNP estimates that there are about 125 trees (10-20 cm diameter) in good condition on the affected land. Visual inspection of the site confirms that many other standing trees are young, poorly maintained and/or dead.
- (ii) Mr. Champheng, a hospital employee with one of the affected residential plots, has planted some fruit trees on his land including jackfruit (40 trees), mango (15 trees), longan (6 trees) and banana (50 trees). These trees were planted in 2006.

Mr. Champheng has a small garden area with different annual crops growing on his land.

## **2.7 Affected Structures**

The only structure that may be affected is the kitchen building belonging to Mrs. Foing, as mentioned above. This structure has an area of 32 m<sup>2</sup> and is a permanent structure (concrete slab floor, brick walls, and metal roof). The AP uses this structure to operate a business (making rice noodles) as well as for cooking for her family. The impacts on the business will be clear after the completion of detailed design and all efforts will be made to minimize any impacts.

## **2.8 Temporary Disruption of Business**

Displacement of the kitchen structure would also disrupt the business that the AP, Mrs. Foing, operates in this structure. If, however, the inlet and outlet pipes can be aligned without affecting the kitchen structure, the temporary land acquisition to dig trenches and lay pipes would not disrupt the business activities. The alignment would need to be agreed with Ms Foing to maximize the land

area available for future construction works on the property and provide access to the pipelines for maintenance purposes.

## 2.9 Severely Affected and Vulnerable 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 Huoixai subproject, Mr. Cham is the only severely affected AP due to the loss of about 11% of his productive land.

Vulnerable APs may be at greater risk due to the impacts of land acquisition and resettlement. In Huoixai, two of the AP households are headed by women; they are impacted as follows:

- (i) Mrs. Chanthone heads a household of 4 people. She and her husband work at the hospital; they have 2 children. They own a 500-m<sup>2</sup> residential plot allocated to them by the province, which will be acquired to develop the new raw water reservoir. They will be allocated a new residential plot [The EA is collecting the necessary information, and due diligence of the new plot will be confirmed during appraisal]. However, as they have not developed their affected land, they do not have to relocate due to the Project and are not considered to be severely affected.
- (ii) Mrs. Foing is a widow and heads a multi-generational household; she is also designated as a poor household by local authorities. The installation of inlet-outlet pipes for the storage reservoir may temporarily affect her residential land and/or disrupt a business she operates from a large kitchen on her land. [During appraisal, will need to specify and budget the amount of compensation OR agree that the installation of the pipes will definitely not affect her business.]

None of the AHs belong to a minority ethnic group.

## 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 8 core villages was 9,442 people living in 1,819 households. The average household size was 5.2 persons. Women account for 53% of household members (male/female ratio of 0.89); overall, they head approximately 10% of households in the town. Between 2001 and 2006, the population of the core villages in Huoixai increased 11%, or an average annual growth rate of 2.47%.

**Table 2: Huoixai Population Characteristics**

Core Villages	2006 Pop'n.	No. HH	Persons/ HH	M/F Ratio
Nongxay	590	123	4.8	1.14
Khonekeo	1,570	309	5.1	0.92
Bokeo	1,392	267	5.2	0.90
Huoixai	1,246	238	5.2	0.90
Mongkhounsine	924	158	5.8	0.40
Mixaysavang	578	120	4.8	1.06
Mouangkeo	1,548	305	5.1	1.09
Huoixai Tai	1,594	299	5.3	.088
<b>Totals</b>	<b>9,442</b>	<b>1,819</b>	<b>5.2</b>	<b>0.89</b>

Source: STWSP Reconnaissance Survey

Nearly 90% of survey respondents belong to Tai-Kadai ethnic groups that form the majority of the national population, including ethnic Lao, Kalom, Ngouan, Lue, Phounoy, Tai Dam and Phoutay. This corresponds to data provided by the district that all residents of Huoixai belong to Tai-Kadai ethnic groups. Twelve percent of survey respondents said they are Khmu, Khuane, Rouok or other ethnic groups of the Mon-Khmer linguistic group.

In Huoixai, the education achievement of the heads of surveyed households is generally high. Overall, nearly 40% have some secondary education; a small proportion (3.2%) has gone on to post-secondary education; and, about 15% have vocational training. Less than 15% have no schooling or have not completed primary school.

In Huoixai, 94% of households own the land and the house they occupy. Among these households, nearly 19% hold registered title to their land as a result of the GOL systematic land registration process. Other owners have a Land Certificate (Form 01) or permission of local officials. A small proportion of Huoixai residents (6%) rent land and housing from property owners or the government, or live rent-free, for example, in a family member's house.

The urban character of Huoixai is evident in the occupations and livelihoods of households surveyed in a sample of core villages. Half of household heads are engaged in trading, or retail or service businesses. About 16% work for wages, primarily as government employees but also as private sector employees.

Only 2% of household heads cite farming as their occupation. Thirteen percent of household heads rely on work as hired labour, including seasonal work in agriculture and construction and other non-agricultural activities.

**Table 3: Occupations (% household heads)**

	Khonekeo	Huoixai Neua	Mixay-savang	Huoixai Tai	Total
Farmer	3.2	-	8.3	-	2.2
Government employee	9.7	9.5	-	28.6	14.1
Private sector employee	6.5	-	-	-	2.2
Trader/retail business	32.3	38.1	50.0	39.3	38.0
Service business	9.7	19.0	-	14.3	12.0
Hired laborer	16.1	4.8	33.3	7.1	13.0
Retired/housewife	12.9	28.6	8.3	3.6	13.0
Other	9.7	-	-	3.6	4.3

Source: Huoixai Social Survey, STWSP

Approximately one-third of survey respondents operate one or, in some instances, two businesses from their house. Nearly half (48.3%) of these are retail shops. About 30% are service-related businesses, including leasing, vehicle servicing, etc. Other types of businesses include guesthouses,

restaurants, small-scale manufacturing and sale of crops or processed agricultural products. Nearly two-thirds of the businesses are registered. Sixty percent have been operating for more than 5 years.

In surveyed households, economically active people accounted for 53% of total household members. Women accounted for slightly less than half (48%) of household members that worked to contribute to the household economy. The principal income-earning activities of women include trading (28% of women) and seasonal labour (17%). Like women, men are involved in a wide variety of income-generating activities, but the most common among respondents are work as a hired labour on a regular basis (11% of men) and seasonal basis (21%).

**Table 4: Income-Generating Activities (%)**

	Male	Female
Rice sales	6.8	5.4
Sale of garden crops	1.9	6.1
Sale of cash crops and trees	3.7	3.4
NTFP sales	0.6	-
Livestock sales	5.0	6.1
Own business/shop	9.3	6.8
Market vending	3.7	6.8
Own guesthouse/restaurant	3.7	4.1
Trader	9.3	28.4
Wages	8.1	6.8
Remittances	2.5	3.4
Leasing (house/car)	9.3	2.7
Hired labor	10.6	2.7
Casual or temporary/seasonal work	20.5	16.9
Pension	5.0	0.7

Source: Huoixai Social Survey, STWSP

District data on wealth rankings in Huoixai take into account several factors including rice sufficiency, housing quality and whether children attend school, as well as cash income. Overall in all villages in the district, 4% of households are designated as poor.

### 3.2 Socio-Economic Profile of Affected People (APs)

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

- (i) The members of the 5 households surveyed during the IOL include 12 men and 15 women<sup>4</sup>. The average household size is 5 people, although the younger families of hospital workers are smaller (2-4 people) than the other AP households.
- (ii) Two out of the 5 AP households are headed by women, including Mrs. Foing, widow, and Mrs. Chanthone, a younger married woman.
- (iii) All the APs are Lao or Lue, both ethnic groups that belong to the Tai-Kadai ethno-linguistic family that accounts for the majority of the Lao population. All the adults speak and read Lao.
- (iv) Overall, 64% of AP household members are economically active, of which 78% are women.
- (v) The occupations of household heads include: shop keeper (1 AP), micro-enterprise (1 AP) and government hospital staff (4 APs). In the case of at least 3 of the AP households, both spouses are employed as government hospital staff.

<sup>4</sup> As noted previously, one AH is not included in the IOL data because the household was not available. The EA is collecting the necessary information, and due diligence will be done during appraisal.

- (vi) The reported monthly household incomes in larger AP households headed by older people are 2,000,000-2,900,000 Kip. In these households, there are more working adults and the income comes from one or more commercial activities. In the younger, smaller households headed by government hospital staff, the monthly household income is in the range of 750,000-900,000 Kip.
- (vii) One AP reports that hers is a designated poor household. The per capita monthly income of this household is about 25,000 Kip, well below the poverty threshold of cash income equal to 82,000 Kip per person per month.

### 3.3 Water Supply and Sanitation

As the STWSP deals with water supply and sanitation, data were collected from APs to determine their current situation as well as their interest and willingness to pay for water supply. All 5 AP households are connected to the PNP system; one AH relies on a well due to shortages during the dry seasons, although all other AHs get their water from the PNP system all year. All households have a water seal pit latrine or, in the case of the hospital workers, have access to a shared water seal pit latrine at the hospital housing.

The AHs currently living in hospital housing are interested to connect to the PNP system when they build their own houses. For the connection fee, they are willing to pay up to 1.5 million Kip. They each would prefer to make this payment in installments over 3-6 months. The AHs indicate that they would be able to afford water use charges between 20,000 Kip and 50,000 Kip per month.

### 3.4 AP Preferences and Concerns for Compensation and Resettlement

The following are the stated preferences and concerns for compensation:

- (i) The AP with affected plantation land and teak trees stated his preference for replacement land near a road as compensation for his affected plantation land; he would also prefer that the Project pay cash compensation for lost trees.
- (ii) The AHs with affected residential plots agree to replacement land, that is, allocation of alternative residential plots. They are concerned, however, that the new plots should be located where there is road access that would make it possible for them to use these plots to build houses. [The EA is confirming whether the replacement land has been identified. This will be checked during appraisal]
- (iii) The AP with trees on his residential land would like cash compensation.
- (iv) If the AP with the kitchen that may be affected is eligible for compensation, she would prefer to receive cash for affected assets.

## 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 rights<sup>5</sup> 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.

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<sup>5</sup> 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.
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 <sup>2</sup> ; (ii) if the AP's total residential land area is more than 300 m <sup>2</sup> , 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 m<sup>2</sup>.
- (ii) If the AP's residential land area in question is more than 300 m<sup>2</sup>, 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 6: STWSP Entitlement Matrix**

Type of Loss	Entitlements	Implementation Issues
<b>Temporary loss of access to or use of land (e.g., during construction)</b>		
Legal users		
	No compensation will be paid, but the land will be returned to APs within one (1) month of the completion of required	Legal users are those with recognized land use rights such

Type of Loss	Entitlements	Implementation Issues
	<p>works or use of land, in a condition equal to or better than pre-project level.</p> <p>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.</p> <p>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.</p>	<p>as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law.</p> <p>The PIU and PIAC will ensure 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.</p>
All APs regardless of land use rights		
	<p>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.</p> <p>In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.</p>	
<b>Permanent loss of agricultural or other productive land</b>		
Legal users		
	<p>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.</p> <p>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.</p> <p>If the area of the remaining agricultural land is no longer viable, legal APs may request that the Project acquires the entire land holding.</p> <p>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.</p>	<p>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.</p> <p>Voluntary donation of productive land will not be allowed by the Project.</p>
Users with temporary or lease rights		
	<p>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.</p>	
<b>Permanent loss of residential land</b>		
Legal users		
	<p>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.</p> <p>Without 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.</p> <p>If the area of remaining land is not viable to rebuild, APs may request that the Project acquires the entire land</p>	<p>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.</p> <p>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<sup>2</sup>; and, (ii) the affected portion is less than 5% of the total area; and, (iii) there are no structures</p>

Type of Loss	Entitlements	Implementation Issues
	<p>holding.</p> <p>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.</p>	<p>or fixed assets on the affected portion.</p> <p>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.</p>
<b>Users with temporary or lease rights</b>		
	<p>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.</p>	
<b>Non-legal users</b>		
	<p>Non-legal APs will not receive compensation for affected land.</p> <p>However, if they have no other residential land holdings, they will be allocated replacement land with leasehold tenure to rebuild their house.</p>	
<b>Loss of Structures (residential and commercial structures, and simple shops)</b>		
<b>Owner of structure regardless of land use rights</b>		
	<p>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.</p> <p>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.</p> <p>If APs relocate to new land in order to rebuild structures, they are entitled to a transition subsistence allowance and a moving allowance.</p> <p>There will be no deductions for depreciated value of affected structures or for salvaged materials.</p>	<p>Adequate time will be provided for APs to rebuild/ repair structures.</p> <p>Affected houses and shops that are no longer viable are those whose remaining portion is no longer usable and/or habitable.</p>
<b>Tenants, including residential and business tenants</b>		
	<p>In the case of partially affected structures, tenants may remain with permission of the owner.</p> <p>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.</p>	
<b>Loss of crops and trees</b>		
<b>All APs regardless of land use rights</b>		
	<p>Notice to harvest annual crops, if possible.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.</p>	
<b>Loss of common property resources</b>		
<b>Villages, village authorities, mass organizations</b>		
	<p>For common property resources, the affected land will be replaced in areas identified in consultation with affected</p>	

Type of Loss	Entitlements	Implementation Issues
	communities and relevant organizations. Affected buildings and structures will be restored to original or better condition	
<b>Loss of business income</b>		
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.	
<b>Transition subsistence allowance</b>		
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.	
<b>Transport allowance</b>		
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.	
<b>Severely affected vulnerable APs</b>		
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.

## 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 7: Huoixai RP Information Dissemination and Consultations**

Date	Location	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
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Date	Location	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
21.08.07	Huoxiai District Office	PNP, OCTPC, District Planning Office, LWU, LFNC, village chiefs	11 people (2 women)	<ul style="list-style-type: none"> <li>▪ Presentation of technical design for subproject</li> <li>▪ Presentation/discussion of environmental impacts and issues</li> <li>▪ Presentation/discussion of STWSP land acquisition and resettlement policy; distribution of public information brochure (PIB)</li> <li>▪ Discussion of specific land acquisition impacts, PNP strategies and related issues</li> </ul>
21.08.07	AP residence	AP losing productive land	5 people (2 women)	<ul style="list-style-type: none"> <li>▪ Presentation of subproject and land acquisition requirements</li> <li>▪ Summary of STWSP policies and distribution of PIB</li> <li>▪ Assessment of AP impacts, entitlements, preferences and concerns</li> </ul>
21.08.07	AP residence	AP with potential impacts on structure & business income	3 people (1 woman)	<ul style="list-style-type: none"> <li>▪ Presentation of subproject and land acquisition requirements</li> <li>▪ Summary of STWSP policies and distribution of PIB</li> <li>▪ Assessment of AP impacts, entitlements, preferences and concerns</li> </ul>
24.08.07	Huoxiai Provincial Hospital	3 of 4 APs losing residential land	3 people (1 woman)	<ul style="list-style-type: none"> <li>▪ Presentation of subproject and land acquisition requirements</li> <li>▪ Summary of STWSP policies and distribution of PIB</li> <li>▪ Assessment of AP impacts, entitlements, preferences and concerns</li> </ul>

Source: Huoxiai 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 PRC and DHUP and approved by WREA and 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. The RP will be disclosed to all APs in the form of locally appropriate information booklets. 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 8: 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

No.	Grievance Redress Procedures
	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 MCTPC 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 and Rehabilitation Strategies

The following summarizes the proposed strategies for compensation and rehabilitation assistance for households affected by land acquisition for the Huoixai subproject.

### 6.1 Voluntary Land Contributions

There will be no voluntary land contributions for the Huoixai subproject as the impacts on affected residential land exceed the threshold of 5% loss, as per the STWSP policy.

### 6.2 Compensation Strategies

#### 6.2.1 Permanent Land Acquisition

One AP, Mr. Cham, prefers replacement land for the loss of plantation land that equals about 11% of his entire productive land holding. However, local officials have indicated that it will very difficult to find replacement plantation land in Bokeo village due to increasing urbanization and development. The affected land has no road access and, in the event of cash compensation, the estimated replacement cost is 140,000 Kip/m<sup>2</sup>, as confirmed by PNP and district authorities.

With regard to the 4 affected residential plots, the PNP request to the provincial Governor for transfer of the land includes a request that the Governor allocate alternative plots for these households. The IOL team also consulted with the hospital director who made the initial request for land for his staff, to inform him of the need to acquire this land and to advise him of the PNP requests.

As per the STWSP policy, the 4 APs are entitled to new residential plots of the similar type, category and area. The affected land with no road access has a replacement value of 196,000 Kip/m<sup>2</sup>, as confirmed by PNP and district authorities. If the replacement plots are smaller than the affected plots, the APs may be entitled to cash compensation for the difference in value depending, for example, on factors such as improved road access or accessibility to community services.

#### 6.2.2 Affected Trees

Two APs will lose trees and are entitled to compensation as follows:

- (i) One AP, Mr. Cham, will lose at least 125 teak trees; the trees are generally 20-40 cm in diameter. The replacement cost for the timber contained in these trees is estimated at current market prices to be 100,000 Kip each.
- (ii) One AP, Mr. Champheng, will lose a number of young fruit trees that are not yet fruit-bearing. The estimated cost for seedlings to replace these trees is 20,000 Kip.

### **6.2.3 Other Affected Assets**

One AP may have an affected structure and may experience loss of business income related to the location and installation of the inlet and outlet pipes for the water reservoir. However, a preliminary evaluation of alternative alignments for the pipes indicates that it should be possible to locate them under her property without causing any damage to her structure or disruption to the business she operates from that structure. The need for compensation will be re-assessed during the DMS.

## **6.3 Rehabilitation Strategies**

### **6.3.1 Severely Affected and Vulnerable APs**

The AP losing plantation land will lose 11% of his total productive land. As per the STWSP policy, he is considered to be severely affected although he does not derive any income from this land. None of the vulnerable APs (the designated poor household and/or female household heads) is severely affected.

## **6.4 Acquisition of Private Land**

As indicated by the PNP and district authorities during the IOL, procedures have been initiated to request the provincial Governor to approve the transfer of private land required to construct the raw water storage reservoir. It is expected that the land transfer will be approved by the end of 2007.

In conformity with STWSP policies, the current land owners will not be required to hand over the land for the storage reservoir until the following steps have been completed and confirmed by the PIU and/or independent external monitor (IEM):

- (i) The draft RP has been updated and revised, as required, based on the DMS based on the detailed engineering design for the subproject. The preparation of the final RP will include further consultations with each of the AHs identified as being affected by the subproject.
- (ii) Mr. Cham, the AP with affected plantation land, has received cash compensation equal to the replacement cost for the affected portion of his land and the teak trees that have been planted on the affected land.
- (iii) The 4 AHs that have residential plots have been allocated replacement plots of the same area (500 m<sup>2</sup>) at locations that are acceptable to the AHs with secure tenure (Form 01 or registered land title); and, if replacement plots are smaller than the affected land, cash compensation equal to the replacement cost for the difference in area.
- (iv) Mr. Champheng, one AP with affected residential land, has received cash compensation equal to the replacement cost of affected trees on his land.

## **6.5 Gender Strategy**

None of the APs belongs to a minority ethnic group; however, two AP households are headed by women. Therefore, the specific actions will focus on the female household heads and other female APs, including the following measures:

- (i) The DRC will include a representative of the district offices of the LWU and, to the extent feasible, a representative of the LWU in Bokeo village.
- (ii) The DRC will consult individually with the two APs that are female household heads and, as required, with other female members of AP households to make sure they understand STWSP policies, entitlement and procedures for land acquisition and compensation for affected assets and to encourage affected women to express their needs and concerns related to the subproject.
- (iii) The DRC will consult with the female household head and other female members of AP households that will lose their residential plots, to determine their preferences regarding the location of replacement land and its access to AP family and social networks, community services and other criteria important to APs.

- (iv) All replacement land that is allocated to AHs in particular that work at the provincial hospital will be allocated with secure tenure, for example, land certificates issued in the names of both spouses.
- (v) In the case of married APs, both spouses will sign for compensation payments; in the case of AP households headed by women, the women will sign.
- (vi) Women as well as men from AP households will be eligible to be recruited by contractors for subproject civil works, if they wish and depending on labor requirements and qualification.
- (vii) The Huoixai PIU will collaborate with the IEM to monitor the ability of female-headed households to restore their living conditions, including signs of stress or health problems associates with land acquisition activities.
- (viii) All databases and monitoring indicators will disaggregate data and other information by gender.

## **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 ongoing PNP initiatives to request transfer of public and private land for the reservoir site, as well as issues of entitlements that need to be resolved in the context of detailed design of the subproject. The objective of the due diligence is to confirm compliance with STWSP policies and resolve or remedy any outstanding issues including, among others:

- (i) Allocation of residential plots to the 4 APs that work at the hospital, at locations that are satisfactory to the AHs and with secure tenure (land title or land certificate) in the names of both spouses. The due diligence will also determine the need for cash compensation depending on factors such as the size of the replacement land, road access and/or accessibility to community services; cash compensation will be paid, as required, based on the current replacement value of the affected land. The due diligence will also confirm that 1 AP received compensation for his affected fruit trees.
- (ii) Compensation for affected productive land and trees belonging to one AP, including replacement value in kind and/or in cash for the affected land and trees. The due diligence will also confirm whether or not the AP requires the additional rehabilitation assistance due to loss of more than 10% of his productive land, given that this land is not a source of household income.
- (iii) Compensation and other assistance that may be required by the AP whose kitchen structure may be affected depending on the detailed alignment for the inlet and outlet pipes.

## **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 (Refer Table 9).

### 7.3 Resettlement Costs

The following table summarizes the subproject resettlement costs including (i) compensation for land and trees for 2 APs and (ii) implementation and contingency costs.

**Table 9: Huoixai Land Acquisition and Resettlement Costs**

		No. AHS	Quantity	Unit	Unit Cost (Kip)	Cost (Kip)	Cost (USD)
<b>I</b>	<b>Land acquisition</b>						
1	Plantation land	1	1,250	m <sup>2</sup>	140,000	175,000,000	
2	Residential land	4	500	m <sup>2</sup>	196,000	392,000,000	
<b>II</b>	<b>Crops and trees</b>						
1	Teak trees	1	125	Trees	100,000	12,500,000	
2	Fruit trees (seedlings)	1	110	Trees	20,000	2,200,000	
<b>III</b>					<b>Sub-total (I-II)</b>	<b>581,700,000</b>	<b>68,435</b>
<b>IV</b>	Operational/Administrative Cost (15%)					87,255,000	
<b>V</b>	Contingency (10%)					58,170,000	
<b>VI</b>					<b>Total</b>	<b>727,125,000</b>	<b>85,544</b>

Source: STWSP PPTA Team

## 8 Institutional Arrangements

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

For the Huoixai 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 the DRC; (v) internal monitoring and regular reporting on land acquisition, compensation and resettlement activities; and, (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 Bokeo village.

- (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.

The PCU will (i) review and endorse the updated RP prior to submitting to WREA and then to 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 quarterly 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 quarterly reports, the PCU consults with PIU to clarify and/or resolve any outstanding issues and prepares a Project monitoring report to be submitted to ADB.

### **9.2 External Monitoring of APs**

The IEM is responsible for monitoring of all activities related to updated and implementing the RP; and, to assess whether APs are able to restore their living conditions, livelihoods and incomes to pre-subproject levels and, if not, to recommend remedial actions to assist APs. The IEM conducts socio-economic surveys of APs 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 APs 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 10: Huoixai LACP Implementation Schedule**

<b>Main LACP Activities</b>	<b>Implementation Schedule</b>
<b>Prepare LACP</b>	
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 LACP	Month 3
Finalize updated LACP and submit to PRC and DHUP for review and endorsement	Month 4
WREA and ADB approval of LACP	Month 6
<b>Implement LACP Plan</b>	
Compensation payments	Month 7
Implement rehabilitation measures	Month 7
Clearance of acquired land	Month 7
Award of civil works contract	Month 8
<b>External Monitoring</b>	
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

## Attachment 1: Huoixai Resettlement 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

<b>Subproject town / district</b>	Huoixai
<b>Province</b>	Bokeo
<b>Scope of subproject (description of the nature and scope of works)</b>	
<b>a) Water supply system</b>	Rehabilitation of PNP system: construction of 5,000 m <sup>3</sup> raw water storage reservoir; 450m inlet pipe; 250m outlet pipe; 200m 4m-wide access road.
<b>b) Drainage and sanitation</b>	N/A
<b>c) Other</b>	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).

<b>Involuntary Resettlement Effects</b>	<b>Yes</b>	<b>No</b>	<b>Extent of Impacts And Other Remarks</b>
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	Possible temporary disruption of business/income
Will there be loss of incomes and livelihoods?		X	Possible temporary disruption of business/income
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**

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

<b>[ X ]</b>	<b>Category B</b> , Not significant* land acquisition and resettlement impacts: a Land Acquisition and Compensation Plan (LACP is required).
	LACP to be submitted to ADB by [insert date]
	* 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.
<b>[ ]</b>	<b>Category C</b> , No land acquisition and resettlement impacts: No LACP is required.

**If Category B, please provide information on affected households (AHs):**

Affected Households	Yes	No	Description (Numbers of AHs, current situation)
Any estimate of the likely number of households that will be affected by the subproject?	X		Estimated 5 AHs (25-30 people).
Are any of them designated poor households?	X		One AP household is designated as poor household.
Are any of them households that belong to minority ethnic groups?		X	
Are any of them households headed by women, elderly or disabled persons?	X		Two AP households are headed by women.

Prepared By:  Signature: Name: Position: Date:	Verified by:  Signature: Name: Position: Date:
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## Attachment 2: List of APs and Affected Private Assets

AP Information						Affected Land				Trees	Temporary Impacts		
AP Name	Sex	No. People/ HH	Poor	Minority Ethnic Group	Female HH Head	Village	Residential Land (m2)	Plan-tation Land (m2)	%. Land Holding	Trees	Land	Structure	Business Income
Thitthong Cham	M	7	No	No	No	Bokeo		1,250	10.6	125			
Nang Foing	F	9	Yes	No	Yes	Bokeo					Poss.	Poss.	Poss.
Chanthone	F	2	No	No	Yes	Bokeo	500		100.0	100			
Ounkham	M	3	No	No	No	Bokeo	500		100.0				
Champheng	M	4	No	No	No	Bokeo	500		100.0				
[To be confirmed]						Bokeo	500		100.0				

## **Attachment 3: Public Information Brochure**

### **SMALL TOWNS WATER SUPPLY AND SANITATION SECTOR PROJECT (STSWP)**

#### **LAND ACQUISITION PUBLIC INFORMATION BROCHURE (PIB)**

##### **HUOIXAI**

#### **QUESTION: WHAT IS THE STWSP?**

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

In Huoixai, the Project will rehabilitate the existing water supply system by constructing a new raw water storage reservoir to improve water supply throughout the year.

The Ministry of Public Works and Transport (MPWT) is the Executing Agency for the Project. A Project Implementation Unit will be established under the PNP in Huoixai. Village committees will help inform and consult people about the Project.

#### **QUESTION: WHEN WILL THE PROJECT START?**

**Answer:** Work has already begun on a Feasibility Study for the town. 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 firm dates.

A land acquisition and resettlement assessment will be carried out as part of the Feasibility Study. This will be updated following detailed engineering design. 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 affected 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 in the absence of the Project.

#### **QUESTION: HOW WILL THE STWSP AFFECT PEOPLE IN HUOIXAI?**

**Answer:** The new water storage facilities and transmission pipes will be developed on a combination of public and private land in Khonekeo village. Some households may lose small amounts of land or structures and crops. A preliminary census and inventory of losses (IOL) was carried out in August-September 2007 to identify potentially affected people (APs).

#### **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 is permanently acquired or temporarily affected by the Project. The following summarizes the proposed entitlements for the Project.

<b>STWSP Compensation Policy</b>		
<b>Type of Loss</b>	<b>Eligible APs</b>	<b>Entitlements</b>
Loss of Land (Residential/ Agricultural/ Other)	Legal users with recognized land use rights; users with temporary or lease rights	<ul style="list-style-type: none"> <li>▪ 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 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.</li> <li>▪ 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 m<sup>2</sup>; (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.</li> <li>▪ 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.</li> </ul>
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"> <li>▪ 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.</li> <li>▪ 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.</li> <li>▪ 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.</li> </ul>
Loss of business income	APs with businesses that are disrupted but do not relocate	<ul style="list-style-type: none"> <li>▪ 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.</li> </ul>
Loss of crops and trees	All APs regardless of land use rights	<ul style="list-style-type: none"> <li>▪ Notice to harvest annual crops, if possible.</li> <li>▪ 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.</li> <li>▪ For fruit and timber trees, cash compensation equivalent to current market value given the type, age and productive value at the time of compensation.</li> <li>▪ In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.</li> </ul>
Loss of common property resources	Villages, village authorities, mass organizations	<ul style="list-style-type: none"> <li>▪ For common property resources, the affected land will be replaced in areas identified in consultation with affected communities and relevant organizations.</li> <li>▪ Affected buildings and structures will be restored to original or better condition</li> </ul>

**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 WILL COMPENSATION RATES BE CALCULATED?**

**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; and, compensation rates will be established for each type of asset (land, structures, trees, etc.). These rates will be updated, as necessary, at the time of the DMS to ensure they still reflect replacement costs. 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:

<b>STWSP Rehabilitation Assistance</b>	
<b>Eligible APs</b>	<b>Entitlements</b>
<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"> <li>▪ 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.</li> <li>▪ 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.</li> </ul>
<p>APs that permanently relocate house and/or shop to new location</p>	<ul style="list-style-type: none"> <li>▪ Assistance in cash or in kind to move structures, salvaged materials, new building materials and personal possessions to new site.</li> </ul>
<p>Vulnerable APs including designated poor households, minority ethnic groups or female-headed households</p>	<ul style="list-style-type: none"> <li>▪ 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.</li> <li>▪ Eligible to participate in income restoration programs if required for subproject.</li> <li>▪ Contractors will make all reasonable efforts to recruit severely affected and/or vulnerable APs as labourers for subproject civil works.</li> </ul>

**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 PIU will provide complete and timely information to APs about the Project, including all activities related to land acquisition. Meetings will be organized in Khonekeo 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 to develop appropriate rehabilitation strategies for 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 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:**

**Houixay .....**

**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				
<b>Total</b>				

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				
<b>Total</b>				

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				
<b>Total</b>				

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 .....