

Land Acquisition and Compensation Framework

Lao PDR: Small Towns Water Supply and Sanitation Sector Project

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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

1 Introduction

This document comprises the Resettlement Framework (RF) to establish the policies and procedures for compensation, rehabilitation and resettlement of affected people (APs)¹ for those subprojects in the STWSP that require land acquisition or involuntary resettlement.

1.1 Project Description

The Government of the Lao PDR (GOL) has requested financial assistance from the Asian Development Bank (ADB) for the Small Towns Water Supply and Sanitation Sector Project (STWSP or the Project) to improve access, quality and reliability of water supply and sanitation services. 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.

A total of 21 towns in 13 provinces have been identified as candidate subprojects for the STWSP (Refer Table 1). The candidate subprojects include 18 towns where a new water supply system is proposed and 3 towns where an existing system will be rehabilitated. Eligibility criteria and procedures have been established for the final selection of towns. Currently financing is sufficient to cover a total of 11 subproject towns. About 94,000 beneficiaries are expected to receive improved water supply and sanitation services by 2013.

During the preparation the STWSP, Feasibility Studies have been prepared for 3 sample subprojects: (i) new water supply systems will be built in Viengphoukha (Luangnamtha) and Songkhone (Savannakhet); and (ii) minor rehabilitation to water supplies will be carried out on the existing system in Huoixai (Bokeo).

The STWSP has 5 outputs: (i) Strengthened Urban Water Supply Sector, (ii) Water supply development or rehabilitation; (iii) Improved Drainage; (iv) Community Action and Participation; and (v) Improved Capacity for Project Implementation and Operation and Maintenance.

1.2 Land Acquisition, Compensation and Resettlement Issues

1.2.1 Subproject Eligibility

In order for subprojects to be eligible for funding under the STWSP, they must meet certain criteria agreed between GOL and ADB, one of which relates to land acquisition and resettlement impacts. Specifically, the subproject land acquisition and resettlement impacts must be Category B or not significant land acquisition or resettlement impacts, Category B means that fewer than 200 people will be physically displaced from housing or will lose less than 10% of their productive (income-generating) assets. If impacts are significant, the subproject must be redesigned to reduce these impacts to a not-significant level. Based on an initial social assessment for 21 towns, 200 people are equivalent to approximately 35 households based on an average household size of 5.6 persons.

1.2.2 Minimizing Land Acquisition Impacts

Each subproject will strive to minimize the impacts of land acquisition in order (i) to ensure the eligibility of the subproject to be included in the STWSP and (ii) to comply with ADB objectives for minimizing or avoiding land acquisition. Therefore, the Project will promote site selection and designs for subprojects where:

¹ 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 Land Acquisition and Compensation Framework (LACF) is equivalent to the Resettlement Framework as per ADB policies; and, the Land Acquisition and Compensation Plan (LACP) is equivalent to the ADB requirements for a short resettlement plan (SRP) that would be prepared for subprojects with not-significant land acquisition and resettlement impacts.

- facilities for water intake, treatment and storage are sited and developed on unused public land; and,
- water transmission and distribution pipes are located in road and other public rights-of-way (ROW).

1.2.3 Vulnerable APs

The Project recognizes that certain social groups may be more vulnerable to the effects of land acquisition, less able to restore living conditions, livelihoods and income levels and, therefore, eligible for additional assistance when their land and other assets are affected. In the context of the STWSP, the principal vulnerable groups include minority ethnic groups, designated poor households and female-headed households.

The RF identifies specific principles to address the needs of vulnerable groups; and, subproject land acquisition and compensation plans (RPs) will include strategies to assist vulnerable groups affected by land acquisition. In addition, the Project has formulated an Ethnic Groups Development Framework (EGDF) and a Gender Action Plan (GAP).

1.2.3.1 Minority Ethnic Groups

In Lao PDR, there are 49 ethnic groups that are officially recognized by the Government; they are categorized according to 4 ethno-linguistic families. The Tai-Kadai family includes Lao, Lue, Phoutay and other lowland groups, and accounts for 67% of the national population. The Mon-Khmer family includes groups such as the Khmu, Khuan and Samtao that account for 23% of the population; the Hmong, Yao and other Hmong-Tien groups account for 7%; and, the Sino-Tibetan groups account for 3%.

The 1991 Constitution refers to the “multi-ethnic Lao people” and the official terminology for describing the diverse population of the Lao PDR is “ethnic groups.” For the STWSP, the term “minority ethnic groups” is used rather than ethnic minorities or indigenous peoples to describe people who do not belong to one of the dominant Tai-Kadai ethnic groups.

Within the STWSP subproject areas, there are at least 20 ethnic groups represented among the population of core villages. The distribution among ethno-linguistics families is similar to the national distribution, namely 68% belong to Tai-Kadai groups and 32% belong to minority ethnic groups. Ethnic Lao, Lue, Phoutay and other smaller Tai-Kadai groups live in all subproject towns; they account for 90% or more of the population in one-third of the 21 towns and 50% or more in two-thirds of the towns. Minority ethnic groups are the majority in one-third of the towns, including 5 towns where Khmu and Mon-Khmer groups dominate and 2 towns where the Hmong are the largest group.

1.2.3.2 Poor Households

Each village and district in Lao PDR designates poor and non-poor households based on criteria that were established by Instruction 010/PM (2001). In general, a household is designated as poor if it does not meet the following criteria: (i) rice sufficiency for 12 months; (ii) permanent house structure; (iii) cash income above an average of 82,000 Kip per person per month²; (iv) children attending school; and, (v) acceptable level of well-being and cleanliness related to food, clothing and accommodation.

The level of poverty is low in STWSP subproject areas: overall, 13.3% of households in core villages in the 21 towns are designated as poor. This is significantly below the national average of 32% of the population living below the poverty line. However, according to GOL criteria, six candidate subprojects towns are located in priority poorest districts and four candidate subproject

² The threshold for rural areas and for most STWSP subproject towns is 82,000 Kip per person per month. The threshold for urban areas is 100,000 Kip per person per month; and, the national average is 85,000 Kip per person per month.

towns are located in priority poor districts (NGPES, 2004). In the core villages in priority poorest districts, 31.1% of households are designated as poor; in core villages in priority poor districts, 19.7% of households are designated as poor.

1.2.3.3 Female-Headed Households

In Lao PDR, approximately 10% of households are headed by women who are widows or divorced. In addition, in many districts and towns in Lao PDR including those that form part of the STWSP, women are de facto heads of households because their husbands migrate for long periods or semi-permanently to seek work. Women make important contributions to the household economy; even in small towns, they rely on land and other resources to grow and/or collect food for household consumption and for sale.

1.3 Resettlement Framework

The RF has been prepared and agreed by the GOL and ADB to guide (i) the screening of candidate subprojects and, as required for eligible subprojects, (ii) the preparation of RPs. The framework sets out the policies, roles and responsibilities and procedures for planning and implementation of land acquisition, compensation and resettlement activities. The purpose of the RF is to ensure that all APs will be compensated at replacement cost for losses and, as required, assisted with rehabilitation measures so they are at least as well off as they would have been in the absence of the Project.

2 Legal and Policy Framework

The legal and policy framework for the Project has been built upon the laws of the Government of Lao PDR, principally the Constitution (1991) and the Land Law (2003), Decree No. 192/PM on Compensation and Resettlement of People Affected by Development Projects (7 July 2005) and the Regulations for Implementing Decree No. 192/PM (No. 2432/STEA on 11 November 2005); the Asian Development Bank (ADB) Policy on Involuntary Resettlement (1995) and the Operations Manual (Sections F2/BP and F2/OP, 2006); and, Government approved resettlement plans for other ADB projects. Provisions and principles adopted in this RF will supplement the provisions of relevant decrees currently in force in Lao PDR wherever a gap exists.

2.1 Lao PDR Laws and Regulations

2.1.1 1991 Constitution

The Constitution sets out the broad framework for the ownership and management of land in Lao PDR, as well as the rights of ethnic groups.

- (i) The State protects and promotes all forms of state, collective, and individual ownership (Article 14).
- (ii) Land in Lao PDR is owned by the national community; and the State ensures the right to use, transfer and inherit land in accordance with the law (Article 15).
- (iii) The Constitution 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 (Article 8).

2.1.2 2003 Land Law

The Land Law 04/NA (21 October 2003)³ is the principal legislation by which the State exercises its constitutional responsibility for the management, preservation and use of land. Various articles of this law are relevant to issues of land acquisition and resettlement.

³ Land Law 04/NA (2003) supersedes the earlier Land Law 01/NA 12 April 1997.

- (i) Article 3 reaffirms that all land in Lao PDR is the property of the national community and is to be managed by the State. Land is entrusted for efficient use to individuals, families and other entities; and, “ownership” consists in the right to use land. Land may not be used as a tradable commodity and land speculation is prohibited.
- (ii) Article 5 protects the constitutional rights of land users including the lawful interests of efficient, regular and long-term users. It also guarantees their rights to possession, use, usufruct, transfer and inheritance.
- (iii) Article 11 classifies land into eight categories including agricultural land, forest land, construction land, communications land, industrial land, cultural land, defence and security land and water area land. The principal categories of concern to the Project are agricultural land (i.e., land allocated of use in plantation and animal husbandry, including irrigation land); construction land (i.e. land designated for dwellings and other structures) and communication land (i.e., land allocated for roads, bridges, drainage channels, power lines, etc.).

The Land Law addresses the registration and titling of land that is being used legally, including the following provisions:

- (i) Land registration certifies the legal use of land; and, in the case of conjugal property, land is registered in the names of both spouses (Article 43).
- (ii) A Land Certificate issued by district authorities confers a temporary right to use agricultural and forest land; it can be inherited but cannot be transferred, leased or used as collateral (Article 48). The temporary right lasts for at least three years, but may be issued for a longer period (Articles 18 and 22).
- (iii) A Land Title is the only document that confers a permanent right to use land (Article 49). It is issued as a result of a systematic or spontaneous land registration process.

The GOL is undertaking a program of systematic land registration that will eventually survey and register title for land throughout Lao PDR. In its initial phases, the program is focusing on more populous urban. Among the STWSP subprojects, systematic land registration has begun in the following towns: Kasy and Vang Vieng (Vientiane); Songkhone (Savannakhet); Saravane (Saravane); and, Champasack and Pakxong (Champasack). There is some evidence that spontaneous land registration is also occurring in other towns, such as Xaysetha.

The right of an individual or organization to use land can be terminated if the State takes the land back for a public purpose (Article 63). In that instance, the State must make “appropriate” compensation to the affected person; each village, province, municipality, or special zone must keep 5% of its total land area in reserve to ensure the compensation of requisitioned land (Article 71).

In the absence of a Land Title, the Land Certificate (Form 01) is recognized as evidence of land use rights. Similarly, in the case of land acquisition, holders of other documents issued by district authorities such as survey certificates, land tax receipts, residency certificates and customary land use right are generally recognized as eligible for compensation.

In addition, people who lack proof of ownership and/or certifications, but who occupy land with the permission of village authorities are considered to be legal, unregistered users. The Land Law provides mechanisms (for example: residency or use of the land by the unregistered user for at least two years) by which individuals, except those living within the ROW, can apply for certification.

2.1.3 1999 Road Law

The Road Law defines road ROWs for different categories of roads:

Table 1: Road ROWs

Road Category	Distance to either side of centreline
National	25 m
Provincial	15 m
District	10 m
Community/rural	5 m

The Law also provides for “reasonable” compensation for persons with land use rights for land outside the ROW if it is expropriated during road construction.

2.1.4 MPWT Regulation No. 209 on Town Planning (2004)

This regulation issued by MPWT in 2004 sets out rules for the planning and management of development in urban and rural areas.

The regulation defines the minimum width of ROWs for urban roads as well as the area of sidewalk to be located at the outer edge of the ROW on both sides, as follows:

Table 2: Urban Road ROWs

Road Category	Width of ROW	Width of Sidewalk
Arterial	30 m	4 m
Sub-arterial	20 m	3 m
Collector	15 m	2.5 m
Distributor	12 m	2 m

Within the road ROW for arterial, sub-arterial and collector roads, infrastructure for water supply and drainage can be located in or under the sidewalk area. Pipe systems associated with water treatment plants can also be located in or under this area (Article 11).

2.1.5 Decree No. 192/PM and Regulations No. 2432/STEA on Compensation and Resettlement (2005)

The Decree and Regulations adopted in 2005 define principles, policies and procedures for land acquisition, compensation and resettlement for all development projects including those funded by the GOL, private investors and/or donors. The technical guidelines included in the regulations cover all stages of project development, from project identification and pre-feasibility studies through construction and operation of the project.

In many respects, the Decree and regulations bridge the gap between the current Land Law and ADB's *Policy on Involuntary Resettlement*.

- (i) In addition to the acquisition of land, they cover losses of or damage to structures, crops, trees and other assets located on affected land and the loss of business and/or other sources of income, whereas the Land Law mentions only the acquisition of land.
- (ii) They endorse the principle of compensation for all losses at replacement cost, to be paid in cash or in kind.
- (iii) They adopt ADB standards to define APs, vulnerable groups and criteria and procedures to determine the eligibility of APs to entitlements for compensation, rehabilitation and/or resettlement assistance.

- (iv) They define the rights of affected people without recognized land use rights; and, establish compensation principles for, among other situations, partially affected assets, tenants and temporary losses.
- (v) They recognize the rights of APs as circumstances require to assistance for relocation individually and/or to group resettlement sites; and, for economic rehabilitation and income restoration.
- (vi) They establish procedures conforming to ADB standards for consultation, information dissemination, disclosure and grievance redress, as well as monitoring and evaluation.
- (vii) The regulations set out procedures for resettlement planning and social assessments, as well as preparation of strategies to address the needs of ethnic minorities and women affected by land acquisition.

2.2 ADB Policy on Involuntary Resettlement

For any STWSP subprojects that entail land acquisition, ADB resettlement policies then become relevant. The aim of the ADB **Policy on Involuntary Resettlement (1995)** is to avoid or minimize the impacts on people, households, businesses and others affected by the land acquisition required by a project. Where resettlement is not avoidable, the overall goal of the ADB policy is to compensate and assist affected people *to restore their living standards to levels equal to, if not better than, that which they had before the project.*

The main principles of the ADB policy on involuntary resettlement are as follows:

- (i) Involuntary resettlement should be avoided where feasible.
- (ii) Where population displacement is unavoidable, it should be minimized by exploring all viable project options.
- (iii) All compensation is based on the principle of replacement cost.
- (iv) Each involuntary resettlement is conceived and executed as part of a development project or program
- (v) Affected people should be fully informed and consulted on compensation and/or resettlement options.
- (vi) Institutions of the affected people, and, where relevant, of their hosts, are to be protected and supported. Affected people are to be assisted to integrate economically and socially into host communities so that adverse impacts on the host communities are minimized and social harmony is promoted.
- (vii) The absence of a formal legal title to land is not a bar to ADB policy entitlements.
- (viii) Affected people are to be identified and recorded as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cut-off date, preferably at the project identification stage, to prevent a subsequent influx of encroachers of others who wish to take advance of such benefits.
- (ix) Particular attention must be paid to the needs of the poorest affected households and other vulnerable groups that may be at high risk of impoverishment. This may include affected households without legal title to land or other assets, households headed by women, the elderly or disabled, and ethnic minority peoples. Appropriate assistance must be provided to help them improve their socio-economic status.
- (x) The full costs of resettlement and compensation should be included in the presentation of project costs and benefits.

- (xi) Relocation and rehabilitation may be considered for inclusion in ADB loan financing for the project, if requested, to assure timely availability of the required resources and ensure compliance with involuntary resettlement procedures during implementation.

2.3 Other ADB Policies

The ADB **Policy on Indigenous Peoples (1998)** defines “indigenous people” as “those with a social or cultural identity distinct from the dominant or mainstream society.” “Indigenous peoples” is a generic concept that encompasses cultural minorities, ethnic minorities, indigenous cultural communities, tribal people, natives and aboriginals. The Policy recognizes the potential vulnerability of indigenous peoples in the development process; that indigenous peoples must be afforded opportunities to participate in and benefit from development equally with other segments of society; and, have a role and be able to participate in the design of development interventions that affect them.

The anticipated impacts (positive and negative) and mitigation measures are incorporated in the Project’s EGDF. If a subproject is likely to have impacts caused by land acquisition, then specific mitigation measures shall be included in the LACP for affected households/people belonging to minority ethnic groups.

The ADB **Policy on Gender and Development (1998)** adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring that women participate in and that their needs are explicitly addressed in the decision-making process for development activities. LACPs shall include provisions for equal compensation and resettlement measures for female headed households. Compensation and resettlement benefits shall be provided in the name of both spouses.

The ADB **Public Communications Policy (2005)** seeks to encourage the participation and understanding of people affected by and other stakeholders to ADB-assisted activities. With respect to land acquisition, compensation and resettlement, information should be distributed to APs and publicly in the following manner: (i) prior to Project appraisal, the draft LACP; (ii) following completion of the final RP, the final RP; and, (iii) following any revisions, the revised RP. This information can be in the form of brochures, leaflets or booklets, in the local language(s) as well as English, the working language of the ADB. When APs include non-literate people, other appropriate methods of communications will be used. A copy of the draft LACP, final LACP, revised LACP, and subsequent monitoring reports shall also be disclosed (e.g., ADB’s website).

The ADB **Accountability Mechanism (2003)** serves to enhance the capacity of ADB to respond to, prevent and/or resolve problems associated with the implementation of its policies in ADB-funded project. It consists of a consultation phase and a compliance review phase, by which the specific problems of locally affected people in ADB-assisted projects are investigated and remediated. The relevant ADB operations department has the initial responsibility to respond to the concerns of affected communities.

2.4 Resolving Inconsistencies

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.

Both Lao law and ADB policies entitle non-tilted APs to compensation for affected assets at replacement cost and other assistance so that they are not made worse off due to the Project.

Decree 192/PM goes beyond ADB's policy and provides APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, compensation for loss of land-use rights at replacement cost, in addition to compensation for their other assets and other assistance. Should APs be found to be non-titled and required to relocate, the Project will ensure they are provided replacement land at no cost to the APs, or cash sufficient to purchase replacement land.

3 Compensation and Entitlement Policies

A compensation and entitlement policy has been adopted for the STWSP to guide the planning and implementation of land acquisition, compensation and resettlement for subprojects included in the Project.

3.1 Objective

The overall objective of the compensation and entitlement policy for the STWSP is to ensure that all people affected by the Project are able to maintain and, preferably, improve their pre-project living standards and income-earning capacity through compensation for the loss of physical and non-physical assets and, as required, other assistance and rehabilitation measures.

3.2 Principles

The principles adopted for the Project for land acquisition, compensation and resettlement are the following.

Table 3: STWSP Land Acquisition, Compensation and Resettlement Principles

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 ² ; (ii) if the AP's total residential land area is more than 300 m ² , the strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no houses, structures or fixed assets on the affected portion of land. APs opting to make voluntary contributions shall make an informed choice. The procedures for voluntary contributions shall ensure transparency and accountability.

No.	Principle
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.

3.3 Categories of APs

In the context of the STWSP, different categories of people using or occupying land in a subproject area may be affected and, as a consequence, be designated as APs. These categories are determined on the basis of (i) Lao law and legal practice to define legal users including unregistered users; (ii) ADB policy regarding APs with affected structures; and, (iii) a review of the conditions that are likely to apply in subproject areas.

Table 4: Categories of APs

No.	Categories of APs ⁴
1	Legal users include individuals, households or organizations with recognized land use rights evidenced by (i) documents such as a registered Land Title, Land Certificate (Form 01), survey certificates, land tax receipts, residency certificates and documents supporting customary land use rights; or, (ii) having applied for and awaiting receipt of recognized land use rights documents, e.g., registered Land Title. Legal users also include (iii) unregistered users that have permission of village authorities to occupy and/or use land.
2	Non-legal users include individuals, households or organizations without legal, possessory or recognized land use rights.
3	Owners of houses, shops and other structures whether or not a) there is recognized land use rights or b) a permit was issued to construct the structure.
4	Owners of businesses whether or not the businesses are registered.
5	Lease or permissive users: Users/occupants that lease or have permission to use affected land and/or affected structures (houses, shops, market stalls, etc.) whether or not a) the land and/or structures are owned by private parties or the State or b) the tenancy is based on a formal lease or permission of the owner.
6	Agricultural labourers, non-agricultural labourers and employees temporarily or permanently

⁴ Note: APs refer to affected individuals, households and private and public institutions; the latter includes, among others, government agencies.

No.	Categories of APs ⁴
	affected by the Project.

3.4 Eligibility

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 detailed measurement survey (DMS) in each subproject.⁵ 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.

3.5 Voluntary Land Contributions

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 PDR⁶.

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

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

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

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

⁵ For core subprojects or subprojects appraised during loan processing will be the date of completion of the census and inventory of losses (IOL) but subject to verification during detailed measurement survey (DMS).

⁶ The Northern Greater Mekong Subregion Transport Network Improvement Project (ADB TA 4742) and the Northern and Central Region Water Supply and Sanitation Project (ADB Grant 0016 (SF)-Lao) have adopted similar policies.

- (iv) The local authorities have established adequate grievance redress mechanisms for the Project and fully informed APs and other stakeholders of these procedures.

3.6 Entitlement Matrix

The Entitlement Matrix sets out the entitlements of different types of losses and eligible APs. The entitlement matrix may not cover all types of impacts but can be enhanced in the LACPs based on the findings of the social assessment and subproject impacts. Standards described will not be lowered but can be enhanced in the subproject LACPs as required.

The Project entitlements have been designed to provide compensation, resettlement and rehabilitation for lost assets and restore or enhance the livelihoods of all categories of affected people, including legal and non-legal land users.

Compensation rates for land and other assets are established for each subproject town, based a participatory rapid appraisal of replacement costs using data collected from district authorities, land owners including APs and vendors in the subproject area. The compensation rates are verified at the time of the DMS and updating the LACP, based on an updated replacement cost survey. Rates for compensation and cash entitlements for rehabilitation and allowances payable to APs will be adjusted annually, based on actual inflation rate.

Table 5: STWSP Entitlement Matrix

Type of Loss	Entitlements	Implementation Issues
Temporary loss of access to or use of land (e.g., during construction)		
Legal users		
	<p>No compensation will be paid, but the land will be returned to APs within one (1) month of the completion of required works or use of land, in a condition equal to or better than pre-project level.</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>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>The PIU 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>	
Permanent loss of agricultural or other productive land		
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</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</p>

Type of Loss	Entitlements	Implementation Issues
	<p>market prices plus assistance to purchase and register land. If the area of the remaining agricultural land is no longer viable, legal APs may request that the Project acquires the entire land holding.</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>	Project.
Users with temporary or lease rights		
	APs that hold a lease for use of agricultural land (e.g., for a concession) will receive compensation equal to the remaining value of the lease.	
Permanent loss of residential land		
Legal users		
	<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><u>Without</u> sufficient remaining land to rebuild house/structures: (i) replacement land equal in area, type and category at a location satisfactory to APs and with registered title or secure tenure; OR (ii) cash compensation at replacement cost equal to current market prices for land of similar type, category and location, plus assistance to purchase and register land.</p> <p>If the area of remaining land is not viable to rebuild, APs may request that the Project acquires the entire land 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>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 m²; and, (ii) the affected portion is less than 5% of the total area; and, (iii) there are no structures or fixed assets on the affected portion.</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>
Users with temporary or lease rights		
	APs that hold a lease for use of construction or other non-agricultural land will receive compensation equal to the remaining value of the lease.	
Non-legal users		
	<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>	
Loss of Structures (residential and commercial structures, and simple shops)		
Owner of structure regardless of land use rights		
	<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>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>

Type of Loss	Entitlements	Implementation Issues
	<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>	
Tenants, including residential and business tenants		
	<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>	
Loss of crops and trees		
All APs regardless of land use rights		
	<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>	
Loss of common property resources		
Villages, village authorities, mass organizations		
	<p>For common property resources, the affected land will be replaced in areas identified in consultation with affected communities and relevant organizations.</p> <p>Affected buildings and structures will be restored to original or better condition</p>	
Loss of business income		
APs with businesses that are disrupted temporarily and not displaced		
	<p>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.</p>	
Transition subsistence allowance		
APs that relocate and rebuild house and/or shop on residual or new land; APs that lose 10% or more of their productive land		
	<p>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.</p> <p>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.</p>	
Transport allowance		
APs that relocate to new land to rebuild house and/or shop		
	<p>Assistance in cash or in-kind to move structures, salvaged materials, new building materials and personal possessions to new site.</p>	
Severely affected vulnerable APs		

Type of Loss	Entitlements	Implementation Issues
Vulnerable APs that are severely affected by (i) relocation of house/ shop or (ii) loss of 10% or more of productive land		
	<p>A supplementary subsistence allowance equal to 16 kg of rice per household member for one (1) month.</p> <p>Eligible to participate in income restoration program as provided for subproject.</p> <p>Contractors will make all reasonable efforts to recruit severely affected and/or vulnerable APs as labourers for civil works.</p>	<p>Vulnerable APs include minority ethnic groups, designated poor households, and households headed by women, the elderly or the disabled.</p> <p>This allowance is in addition to any other compensation or allowances to which these APs are entitled.</p>

4 Relocation and Income Restoration Strategy

APs that must relocate will participate in identifying and selecting options including (i) rebuilding on their existing land; (ii) allocation of replacement land in the form of an individual site; or, (iii) cash compensation and making their own arrangements for relocation. In the case of businesses that relocate, APs will be assisted to find commercially viable new sites. Severely affected APs due to loss of 10% or more of their productive land or income-generating assets will be provided replacement land, assisted to purchase replacement land, assisted to increase productivity on remaining land, or provided training to learn new income-generating skills. Appropriate livelihood restoration measures or programs will be identified during project implementation in consultation with APs. APs will not be displaced until the village allocates land within the same village or neighboring village.

5 Ethnic Groups and Gender

The RF recognizes that certain social groups may be less able to restore their living conditions, livelihoods and incomes; and, therefore, at greater risk of impoverishment when their land and other assets are affected. The STWSP has an EGDF and a GAP to identify strategies to ensure that minority ethnic groups and women are able to benefit equitably from Project investments. For subprojects where minority ethnic groups and women are affected by land acquisition, the RP will identify and incorporate specific actions into the compensation, relocation and income restoration strategies in the RP to address their needs.

5.1 Minority Ethnic Group Specific Actions

To ensure that APs that belong to minority ethnic groups receive full benefit from compensation and rehabilitation strategies related to land acquisition, the following specific actions will be integrated into the subproject LACP.

Table 6: RP Minority Ethnic Group Specific Actions

No.	Specific Actions
1	In subproject towns with minority ethnic populations, one male and one female representative from each minority ethnic group will be nominated as a member of the District Resettlement Committee (DRC).
2	During the DMS, the DRC with assistance from the PIU and the village committees will ensure that men and women from affected minority ethnic households including, as relevant, female household heads participate fully in the data collection and consultations. The DRC and, if formed, the VRC will provide translation as required to ensure that APs understand and are in agreement with the DMS process and results.
3	Compensation will be given to both men and women from affected minority ethnic households.
4	Where minority ethnic households are required to relocate and/or rebuild, the DRC with assistance from the PIU and the village committees will ensure that rehabilitation options and sites are acceptable to APs and that they are able to continue their existing livelihoods and

No.	Specific Actions
	lifestyles and, if they choose, remain within their communities.
5	If minority ethnic APs are allocated replacement agricultural and/or residential land, the registered title will be issued in the name of the husband or wife if the affected land was acquired prior to marriage; the registered title will be issued in both names if the affected land is conjugal property acquired after the marriage.
6	All public information and consultations in core villages with minority ethnic APs will provide translation, as required, into local languages to that dissemination of information and exchange of views are facilitated for all APs. The PIU with assistance from the DRC and village committees will organize village meetings in core villages with minority ethnic populations to raise awareness and understanding of issues related to land acquisition such as project timing, entitlements, compensation rates and payments, grievance procedures, support for relocation and/or rebuilding, etc.; separate meetings will be conducted, as required, with minority ethnic women.
7	Rehabilitation measures to assist affected businesses will ensure that minority ethnic households and/or female-headed households as well as other APs are treated equitably in terms of allocation of land and/or assistance to find alternative land and in the provision of allowances, for example, for temporary business losses, transition subsistence allowances, transport costs and vulnerability allowances.
8	Where minority ethnic APs live in villages with a dominant Tai-Kadai population, the DRC will pay special attention to compensation and rehabilitation allowances provided to minority ethnic APs; and, the IEM will monitor carefully the procedures and the ability of these APs to restore living standards and incomes.
9	All data collected through surveys, consultations and other means to prepare, implement and monitor the LACP will be disaggregated by ethnic group.
10	The PIU and IEM will ensure that communications and the choice of language (written and verbal) reflect the linguistic and literacy capacities of minority ethnic APs including those living in predominantly minority ethnic or Tai-Kadai villages.
11	Male and female minority ethnic APs are equally eligible to apply and, depending on their qualifications, be considered for employment by the contractor(s) for civil works for the Project.

5.2 Gender Specific Actions

A number of specific actions will be incorporated into RP to ensure gender-sensitive activities to plan, implement and monitor land acquisition, compensation and resettlement. The DRC, PIU and PIAC will collaborate in all aspects of the development and implementation of these gender specific actions, as follows.

Table 7: RP Gender Specific Actions

No.	Specific Actions
1	The DRC with assistance from the PIU and village committees will make concerted efforts to consult with female APs including household heads and other women in AP households. This will be done through individual discussions and female focus groups. The LWU members of the PIU and village committees as well as other LWU representatives will be crucial in facilitating these consultations and ensuring that women's specific needs are met.
2	In addition to village forums, women's focus groups will be organized to raise awareness and understanding of land acquisition issues such as project timing, entitlements, compensation rates and payments, grievance procedures, support for relocation and/or rebuilding, etc.
3	Women will be consulted to establish criteria in particular for the location of replacement residential land and/or for improvements to remaining residential land; and, related issues of access to community services and facilities such as schools, health facilities, markets and other economic activities.
4	Consultations with APs regarding arrangements for secure tenure will ensure that women including female household heads and other female APs understand clearly what their options and obligations are; and, that the views of women are considered in making decisions.

No.	Specific Actions
5	New land registrations will be made in both spouses' names if the affected land is conjugal property acquired during marriage or, in the case of female-headed households, in the name of the woman.
6	Compensation payments will be signed by both spouses or, in the case of female-headed households, by the women.
7	Special measures will be incorporated into the Community Information Participation Plan (CIPP) to disseminate information to and consult with women to ensure that they understand clearly the policies, entitlements and other procedures of the land acquisition, compensation and resettlement activities, to enable them to make better, informed decisions.
8	The PIU will collaborate with the IEM to monitor vulnerable APs in core villages including female household heads, for signs of stress or health problems associated to resettlement activities. If noted, these will be reported to the DRC and Office of Health for assistance.
9	All databases and monitoring indicators for land acquisition, compensation and resettlement activities will disaggregate data and other information by sex.
10	Consultants will provide training for the PIU, DRCs, WATSANs and other stakeholders to build capacity in integrating gender analysis into the planning and administration of land acquisition and resettlement activities and to enhance sensitivity to gender and minority ethnic issues of resettlement management.
11	Female members of DRCs will be supported in their roles through local exchanges with women in resettlement committees from other STWSP subprojects and/or other donor-funded projects, to learn from the experiences of other villages.
12	Female heads and/or members of AP households will be involved with the DRC in the identification, review and selection of replacement land for residential and/or commercial activities. Women will also be consulted about the replacement of any affected community structures such as rice mills, market stands, etc.

6 Institutional Arrangements

The planning and implementation of land acquisition, compensation and resettlement for subprojects included in the Project involves designated roles and responsibilities of organizations at the national, provincial and local levels.

6.1 Overall Project Institutional Structure

The Ministry of Public Works and Transport (MPWT) will be the Executing Agency (EA) for the STWSP, with delegated responsibility to the Department of Housing and Urban Planning (DHUP). The national project steering committee (PSC) chaired by the Vice Minister, MPWT, which was established for the Small Towns Development Project and the Northern and Central Regions Water Supply and Sanitation Sector Project will continue to provide policy guidance and direction for this Project.

A Project Coordination Unit (PCU) has been established within the DHUP for the Northern and Central Water Supply and Sanitation Sector Project; the PCU will also coordinate and facilitate the implementation of the STWSP. It will manage and coordinate the preparation, detailed design, procurement of goods and services and capacity building for all subprojects included in the STWSP, in consultation with provincial Project Implementation Units (PIUs) and with the assistance of the consultants. The PCU will also recruit and manage the consultants.

The provincial Department of Public Works and Transport (DPWT) will be the Implementing Agency (IA) in each Project province. A provincial project steering committee (PPSC) will be established to provide project direction and guidance for the subproject(s) within the province and to coordinate the work of relevant provincial and district agencies. The provincial Vice-Governor will chair the PPSC; the district Governor will be a member and provide district coordination for the Project.

An integrated Project Implementation Unit (PIU) will be established under the DPWT in each Project province/district⁷. The PIU will be responsible for day-to-day coordination and supervision of subproject implementation in the Project province and district. The PIU will comprise staff from the Provincial Nam Papa (PNP) and provincial- and district-level agencies, with expertise in project management, construction coordination, contract administration, accounting, water supply systems, drainage and sanitary engineering, O&M, environmental management, community development/resettlement, and community health, awareness and participation.

6.2 Project Structure for Land Acquisition, Compensation and Resettlement

The PCU and PIU have key roles in the planning and implementation of land acquisition, compensation and resettlement activities. Provincial and district resettlement committees will be established for each subproject, with focal person(s) identified at village levels for active participation in design and implementation of LACPs. A resettlement workshop for provincial and district officials is part of the Project's implementation assistance and capacity building. Project consultants and IEM will provide assistance, in particular to the PIUs and resettlement committees.

6.2.1 Review of LACF and LACPs

The Environment Department of the newly-created Water Resources and Environment Authority (WREA) is responsible for review of the RF and RPs on behalf of the Government. This occurs following endorsement by (i) the PRC and DRC for the subproject; and, subsequently, (ii) the DHUP acting on behalf of the Executing Agency, MPWT⁸. The RF and RPs are then reviewed by WREA and submitted to ADB.

6.2.2 Project Coordination Unit

Within the designated roles and responsibilities of the PCU, the following relate to planning and implementation of land acquisition, compensation and resettlement.

Table 8: PCU Responsibilities

No.	PCU Responsibilities
1	Guide, support and monitor the work of the PIUs to screen land acquisition and resettlement impacts for proposed subprojects, and to prepare and implement subproject RPs.
2	Review subproject RPs for compliance with the RF and Project policies prior to submitting them to the PPSC for endorsement and, subsequently, to ADB for approval
3	Recruit a qualified individual consultant, firm or NGO before the commencement of land acquisition and resettlement-related activities (i.e., before the start of the DMS), to act as the IEM for external monitoring of all subprojects included in the STWSP.
4	Coordinate and work with provincial and district resettlement committees to ensure compensation unit rates have been established, in full consultation and agreement with APs, at full replacement cost at current market value for all categories of lost assets.
5	Coordinate with PRC to ensure timely disbursement of Project funds including counterpart funds for payment of compensation and to provide rehabilitation assistance for affected people.
6	Oversee PIU implementation of subproject RPs to ensure a) coordination with construction activities and b) that all compensation is paid and, as required, APs relocated prior to the award of contracts for civil works and/or the clearance of land required by the subproject.
7	Establish and disseminate standard procedures to the PIUs for: (a) carrying out final census, inventory of losses and socioeconomic surveys; (b) establishment and management of AP

⁷ In Project provinces with more than one priority district, the structure of the PIU at the provincial and/or district levels will be determined during Project implementation to fit the circumstances and timing of subproject implementation in the most efficient, effective manner.

⁸These arrangements for approval should be reviewed for any changes within the Project implementation period.

No.	PCU Responsibilities
	databases; (c) consultations and information dissemination targeting APs, local authorities and other stakeholders; (d) prompt implementation of corrective actions and resolutions of grievances; (e) on-going internal monitoring and review of Project, including standards on quarterly reporting against Project progress and compliance with Project policies; and, (f) coordination of land acquisition, compensation and resettlement components with construction activities for subprojects.
8	Coordinate with PIUs to ensure RPs are disclosed to APs for transparency and for maintaining APs' participation in the process.
9	Ensure that all PCU and PIU staff working on the STWSP as well as members of resettlement committees understand and follow the objectives, principles and procedures for implementation of the agreed RF and subprojects RPs, and provide appropriate training as required.
10	Coordinate with other ministries, government agencies, mass organizations, NGOs or other organizations to ensure efficient, effective delivery of the resettlement program and mitigation and support measures.
11	Report at regular intervals, to be agreed, to ADB on resettlement activities (e.g., in quarterly progress reports and project completion report to ADB on LACR activities).

The PCU will also submit to ADB within 3 months of project completion, a Project completion report which should include the following information on the implementation of resettlement plans: (i) a concise history of the involuntary resettlement aspects of the Project to completion; (ii) an evaluation of the implementation of the RP and/or RF and involuntary resettlement loan/grant covenants; (iii) an assessment of the EA's performance; and (iv) a summary of the external monitoring and evaluation reports. The Project completion report should be based on the agreed resettlement planning documents (i.e. the agreed RP), together with financial audit statements that have been approved by an independent agency. The involuntary resettlement section of the Project completion report is based on facts documented in the EA's progress reports, the EA's monitoring and evaluation reports, and review missions' back to office reports.

6.2.3 Project Implementation Unit

The PIU has the primary responsibility for planning, implementation and monitoring of land acquisition, compensation and resettlement activities required for subproject(s) in the Project provinces. The project consultants will provide technical and capacity building assistance to the PIU to facilitate its work in these areas.

Table 9: PIU Responsibilities

No.	PIU Responsibilities
1	Screen the land acquisition and resettlement impacts of all subprojects in the province to determine eligibility for inclusion in the STWSP.
2	Carry out fieldwork required to prepare the RP for eligible subprojects, including the AP census, DMS, RCS and SESs; and, establish the AP database for each subproject.
3	Prepare and, as required following detailed engineering design, update the subproject RP, including documentation of APs, their entitlements for compensation and assistance, rehabilitation and income restoration strategies (as required), strategies to address the needs of vulnerable APs and detailed resettlement budget and schedules.
4	Organize and carry out, in collaboration with the DRC and village committees, the consultation and information dissemination activities necessary to inform APs about the Project and resettlement activities and to ensure that APs and other stakeholders have adequate opportunities to express preferences and concerns about the subproject; ensure that the results of consultations are taken into consideration in the preparation and implementation of the subproject RP; and, ensure that the RP is fully disclosed to APs and affected communities.
5	Ensure in collaboration with the DRC and village arbitration units that all grievances are addressed and that satisfactory resolutions are reached at the village or district level or, as necessary, proper steps are taken to refer complaints to higher authorities.

No.	PIU Responsibilities
6	Guide, supervise and monitor the activities of the DRC to carry activities to pay compensation, implement rehabilitation and other assistance strategies and, in general, assist APs to restore living condition, standards and incomes.
7	Ensure land acquisition, compensation and resettlement activities are coordinated with all subproject activities, in particular the start of civil works; and, report to PCU when compensation has been paid and APs relocated so that subproject sites can be cleared and contracts awarded for civil works.
8	Conduct internal monitoring of the implementation of the subproject RP as per agreed indicators; and, prepare and submit monthly report to PCU on the progress and outstanding issues.

6.2.4 Resettlement Committees

Article 34 of the Regulations for Implementing Decree states that local authorities will assist the Project in various resettlement planning and implementation activities. In the STWSP area, this support will be formalized into resettlement committees established at the provincial, district and, in some instances, village levels.

6.2.4.1 Provincial Resettlement Committees

Eleven of the 13 STWSP provinces have a PRC; in some provinces, the PRC operates under the guidance of newly-created Provincial Socio-Economic Development Coordinating Committees (PSEDCC)⁹. For the STWSP, the PCU will request the Governor in each Project province to extend the mandate of an existing PRC or to form a new PRC.

The PRC will be chaired by the provincial Vice Governor and will have representatives of the District Governor; DPWT; Department of Finance; Department of Health; and, representatives of LWU and the Lao Front for National Construction (LFNC).

Within the authority of the Provincial Government, the key responsibilities of the PRC related to land acquisition, compensation and resettlement include the following.

Table 10: PRC Responsibilities

No.	PRC Responsibilities
1	Certify the official list of APs and their entitlements, based on the results of the DMS for the subproject.
2	Establish compensation rates for the subproject based on replacement costs for affected assets.
3	Manage funds disbursed from the provincial Department of Finances for disbursement to APs.
4	Endorse the draft and updated versions of the subproject RP as prepared by the PIU and reviewed by the PCU for compliance with Project policies.
5	Hear and resolve AP grievances and complaints in instances where APs appeal the decisions taken at the district level.
6	Address any other land acquisition, compensation or resettlement issues that arise in the implementation of subproject(s) in the province or, as necessary, request guidance on policy and procedures from the PCU and/or PSC.

⁹ In 11 STWSP provinces, the PRC has been established in the context of projects funded by ADB and other donors; at present there is no PRC in Champasack and Saravane. The GOL has recently established the PSEDCC in Attapeu and intends to do so in other provinces to coordinate socio-economic development; the PRC operates under the supervision of the PSEDCC.

6.2.4.2 District Resettlement Committees

The DRC will carry out land acquisition, compensation and resettlement activities for each subproject in Project provinces. The DRC will be headed by the District Governor and will include representatives from district offices of OPWT, Finance, Planning and Cooperation and Agriculture and Forestry; chiefs of all affected villages; district representatives of the LWU, LFNC and the Youth Union; and, AP representatives including women and ethnic minorities. The primary roles and responsibilities of the DRC include the following.

Table 11: DRC Responsibilities

No.	DRC Responsibilities
1	Assist the PIU to screen subproject by verifying the level of land acquisition and resettlement impacts.
2	Collaborate with the PIU and participate in the fieldwork to collect data for the DMS, RCS and SES.
3	Identify and consult with APs that are eligible and wish to make voluntary contributions of affected land; collaborate with PIU and designated mass organization (e.g., LWU) during the process to negotiate and verify the voluntary contribution.
4	Prepare the official list of APs including those making voluntary contributions and/or those receiving compensation for affected assets; and, sign compensation documents identifying the entitlements and amount of compensation to be paid to each AP.
5	Inform APs and other stakeholders of the cut-off date for the Project; disseminate official lists of APs following completion of the AP census and DMS; and, monitor and register new settlers in the subproject area, informing them that they are not eligible for compensation and/or rehabilitation assistance under the Project.
6	In collaboration with village committees, organize and facilitate public meetings and consultations with APs and other stakeholders to inform APs about different activities related to land acquisition, compensation and resettlement, for example, the purpose and schedule for the DMS, proposed entitlements and compensation rates, timing and procedures for payment of compensation, proposed rehabilitation strategies, deadlines for removal from affected land, etc. The LWU and LNFC will be particularly involved in facilitating consultations with affected women and minority ethnic groups.
7	Collaborate with PIU to consult vulnerable groups and/or APs that require rehabilitation and/or relocation assistance, to determine their needs, priorities and preferred strategies; and, as required, involve mass organizations and other local organizations in the provision of assistance. In particular, the LWU and LNFC will be directly involved in the design and delivery of strategies to meet the needs of affected women and minority ethnic groups.
8	Act as grievance officers, and hear and resolve grievances and complaints of APs and other stakeholders that are appealed from the village level. One focal person will be assigned within the DRC to manage and record all grievances and resolutions.
9	Assist, as required, and facilitate the work of the IEM to monitor all activities related to planning and implementation of the RP, including verification that all APs have received full compensation and, as required, relocated prior to clearance of affected land or start of civil works for the subproject.

The DRCs will require training in implementing RPs beyond simple instruction. The project consultants will design and implement the necessary capacity building for the DRCs and other units involved in preparing and implementing RPs in respective subproject towns.

6.2.4.3 Other Village Committees

The village committees can assist the DRC and PIU to prepare, update and implement the LACP by participating in and supporting field work to collect data on APs and affected assets; organizing public meetings and consultations in the village; payment of compensation; and, design and implementation of any rehabilitation measures that are required.

Table 12: Village committee Responsibilities

No.	Village committee Responsibilities
1	Facilitate public information meetings and consultations with APs and other stakeholders and help to ensure village and AP awareness of STWSP policies and procedures for compensation, relocation assistance, income restoration and other rehabilitation strategies.
2	Assist in carrying out the DMS, SES and RCS in the village and confirm the results.
3	Assist in the identification of productive and residential land to be allocated as replacement land to APs.
4	Collaborate with the DRC and PIU to assess the needs and preferences of severely affected and vulnerable APs, and design and implement appropriate relocation assistance, income restoration and other rehabilitation strategies.
5	Mobilize village-level support (labour and materials) to assist severely affected APs, for example, to relocate and rebuild houses or shops.
6	Act as grievance officers in the absence of an existing village arbitration unit and provide the first point of contact and mediation for AP complaints and grievances.

Many villages have an existing village arbitration unit that is convened to resolve disputes among residents. Where this exists, the arbitration unit will be mandated to hear the complaints and grievances of APs and other stakeholders at the village level, and will attempt to resolve these issues using traditional procedures.

6.2.5 Project Implementation Assistance Consultants

The PCU will recruit project consultants for the STWSP, in accordance with ADB requirements for consultant procurement and ADB approval of TOR and candidate experience and qualifications. The consultants will include, among others, social development and resettlement specialists including (i) one international consultant (6 months) and one domestic specialist (12 months) for land acquisition and resettlement activities. The resettlement specialists will ensure that land acquisition, compensation and resettlement components of the Project are effectively and efficiently implemented. The principal tasks of the consultants include the following.

Table 13: Project Consultant Responsibilities

No.	Project Consultant Responsibilities
1	Assist the PIU to conduct the screening of candidate subprojects and, for eligible subprojects, to prepare (and update) RPs, including carrying out the DMS, RSC, updating the Entitlement Matrix (as required) and identifying effective compensation and rehabilitation assistance strategies to meet Project objectives.
2	Assist the PCU in its role to guide, support and monitor the work of the PIU for preparation of LACPs; and, to review subproject RPs prior to submitting them to the PPSC for endorsement and to the ADB for approval.
3	Assist the PCU and PIU to establish and, in particular, provide training and guidance for the DRC and village committees to ensure they understand Project policies and can support the process of preparing and implementing the RPs, particularly as it relates to information dissemination to and consultation with APs and other stakeholders.
4	Assist the PCU to establish and implement standards and procedures for the Project for, among others, a centralized resettlement/social management system; consultation and information dissemination programs; grievance redress; and, internal monitoring.
5	Support the PCU and, as required, the IEM to oversee and monitor the planning and implementation of subprojects, to ensure that achievement of the objectives for land acquisition, compensation and resettlement and compliance with all procedures included in the RF and RPs.
6	Conduct a training needs assessment for PCU, PIUs, and village authorities, design a training program and carry out formal and on-the-job training on resettlement, social preparation, social impact assessment, gender, ethnic minorities and social development.

Sample detailed Terms of Reference (TOR) for the project consultants are included in Attachment 2.

6.2.6 Independent External Monitor

The PCU will recruit an IEM to conduct external monitoring and evaluation of land acquisition, compensation and resettlement for all subprojects included in the STWSP, in accordance with the procurement procedures of the ADB. The IEM will be specialized in social sciences and experienced in resettlement monitoring. The primary responsibility of the IEM is to provide periodic reviews and assessments of the STWSP resettlement program, its implementation and its outcomes.

7 Procedures to Prepare an RP

7.1 Subproject Screening

Any subproject falling under Category A (Significant impacts) will be excluded as it will not be eligible for funding.

The purpose of subproject screening is to determine, as early as possible during the subproject Feasibility Study, whether the candidate subproject conforms to agreed Project eligibility criteria, specifically that the land acquisition and resettlement impacts are not-significant. The PIUs will use the screening and categorization form in Attachment 4 to determine the nature and significance of resettlement effects.

An eligible subproject (not-significant land acquisition and resettlement impacts) is one where the number of people experiencing major impacts does not exceed 200 people (or approximately 35 households); major impacts include

- (i) The loss of productive land is 10% or more of the total productive land holdings of each affected person (AP).
- (ii) The loss of other income sources such as business income is 10% or more of total income sources of each AP.
- (iii) Relocation of residence and/or shop because remaining land and/or structure are no longer viable.

The screening will be conducted based on (i) site visits, (ii) meetings with district and village officials and (iii) consultations with people living or using land in the subproject area. Based on the proposed scheme and land requirements for water intake, treatment and storage facilities as well as water transmission and distribution systems, the PIU will make a preliminary determination of the land acquisition and resettlement impacts.

If the land acquisition and resettlement impacts exceed the threshold for not-significant impacts, the PIU in collaboration with the PCU and project consultants will review the subproject design to determine whether changes can be made to reduce the level of impacts to an acceptable level. For example, use of public land rather than private land, realignment of transmission and distribution pipes to use existing ROW and/or to avoid structures or diverting drainage culverts to existing drainage areas to avoid major impacts. In addition, as required, the PIU and DRC will consult with village officials and APs to discuss ways to minimize land acquisition and resettlement impacts to acceptable levels.

In conjunction with the subproject screening, the PIU, DRC and village committees will organize public meeting(s) in the subproject area. The purpose of the meeting(s) is to inform people about: (i) the subproject and its eligibility for inclusion in the STWSP, (ii) the likely land acquisition and resettlement impacts and (iii) procedures for preparation of the subproject RP including the DMS and future consultations.

7.2 Contents of Resettlement Plan

An RP is prepared for each subproject for which there is land acquisition, including the acquisition of public and/or private land. A draft RP is prepared during the Feasibility Study based on preliminary engineering design and, as required, is updated as a final RP following detailed engineering design. The RP is also updated if, during implementation of the subproject, there are significant changes in siting, design or other characteristics of the subproject that affect land acquisition.

The RP will be prepared by the PIU in collaboration with the DRC and with the support and assistance of the project consultants. The process of RP preparation will be participatory, involving village committees, mass organizations, APs and other stakeholders in a series of public information meetings and other consultations. The PCU will guide, supervise and monitor the preparation of the RP with assistance from the IEM.

The RPs will be based on GOL and ADB requirements for a short resettlement plan. The purpose of the RP is to provide concise information as described in the following table.

Table 14: Outline of Resettlement Plan

Topic	Contents
Executive Summary	
Scope of land acquisition and resettlement	<ul style="list-style-type: none"> • Alternative options, if any, considered to minimize land acquisition and its effects, and why the remaining effects are unavoidable. • Summary of key effects in terms of land acquired, assets lost, numbers of people affected, and socio-economic data
Objectives, policy framework, and entitlements	<ul style="list-style-type: none"> • Borrower's policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy • Measures proposed to bridge the gap between ADBs and borrower's policies • Eligibility policy and entitlement matrix for all categories of loss, including compensation rates at replacement costs.
Gender Impact and Mitigation Measures	<ul style="list-style-type: none"> • Identify socio-economic condition, needs, and priorities of women • Include measures to ensure that process of land acquisition and resettlement does not disadvantage women and that land/house titles should be in the name of both spouses
Information Dissemination, Consultation, Participatory Approaches and Disclosure Requirements	<ul style="list-style-type: none"> • Identification of project stakeholders. • Disclosure of project information • Consultations for determining principles • Mechanisms for stakeholder participation in planning, management, monitoring, and evaluation • Disclosure of LACP to people affected • Local institutions or organizations to support people affected. Potential role of NGOs, women's groups and community-based organizations.
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Mechanisms for resolution of conflicts and appeals procedures
Compensation, relocation, and income restoration	<ul style="list-style-type: none"> • Arrangements for valuing and disbursing compensation. • Arrangements for housing relocation, including transfer, re-establishment and integration with host populations • Income restoration measures • Environmental risks identification and arrangements for environmental management and monitoring.
Institutional framework	<ul style="list-style-type: none"> • Main tasks and responsibilities in planning, managing and monitoring land acquisition and resettlement. • Ensure that (i) women's groups are involved in resettlement planning, management and operations, job creation and income generation; and (ii) female staff should be hired by the resettlement agency to work with and assist women in all aspects of resettlement activities.
Resettlement budget and financing	<ul style="list-style-type: none"> • Land acquisition and resettlement costs and funding sources including arrangements for timely disbursement to APs.
Implementation schedule	<ul style="list-style-type: none"> • Time bound actions for projected activities to ensure that people affected are compensated and assisted before award of civil works contracts..
Monitoring and evaluation	<ul style="list-style-type: none"> • Arrangements for M&E. • Impact on women monitored and evaluated separately
Arrangements for Reviewing RP at detailed technical/engineering design if this is not yet complete	
Formal Agreement by the EA	
Covenant in RRP and Grant Agreement	
Disclosure of Short RP on ADB Website upon project approval	

The STWSP will implement two or more subprojects in some Project provinces. Depending on the timing of subproject implementation, the PCU may authorize the PIU to prepare a single RP for two or more subprojects. In this instance, the RP will be organized with separate sections for each subproject to provide subproject-specific information such as (i) the scope and extent of land acquisition and resettlement impacts, (ii) the socio-economic profile of APs and vulnerable APs, (iii) compensation and rehabilitation strategies, (iv) consultations carried out during preparation of the RP and (v) cost estimates and implementation schedule. When the PIU prepares a RP for more than one subproject, the PIU will work with a DRC that has been established in each of the subproject areas.

7.3 Sample Subproject RP

To facilitate the implementation of the STWSP, a template has been prepared for the subproject RP. In addition, the draft RPs prepared in conjunction with the Feasibility Studies for Huoixai, Viengphoukha and Songkhone can serve as models for subproject RPs. The following briefly summarizes the steps required to prepare a subproject RP.

7.3.1 Documentation of Public Land

When public land and/or rights-of-way are used to site and develop facilities for the proposed water supply system, the subproject RP will document (i) the land use designation of the land, (ii) the government level/agency responsible for management of the land and (iii) whether the land and/or use of the land has been allocated to any individual or organization. The PIU will consult with district and other relevant authorities, and obtain a written confirmation of the status of the land that will be attached to the RP.

All public land will be included in the AP census and detailed measurement survey (see next section) to validate all use rights and entitlements for compensation.

7.3.2 Data Collection

The RP is based on primary data collected from APs and other stakeholders in the subproject area, in order to document in detail the land acquisition and resettlement impacts.

- (i) AP census: Data on 100% of the affected people (APs) including the name and address of the affected individual, household head, public institution and/or private organization, and other basic identification information.
- (ii) DMS: Data collected from 100% of APs during preparation of the updated, final RP, on the types, extent and severity of losses of public, private and community land and other assets due to land acquisition for the Project. The DMS is conducted following detailed engineering design and demarcation on the ground of the required land.
- (iii) SES: A sample survey of at least 10% of all APs and 20% of severely affected APs to document AP household conditions including demography (age, gender, ethnicity); education levels and occupations; land use, ownership and tenure patterns; livelihood systems and sources of income; income and expenditure levels; social networks and organizations; etc. The SES is generally carried out at the same time as the census and DMS.
- (iv) RCS: Data to determine compensation rates for the range of affected land, structures, crops, trees and other assets based on current market prices in the subproject area. The RCS is conducted when the draft RP is prepared and updated during preparation of the final RP.

Table 15: Surveys for RP Preparation

DMS, including AP census	<p>The census and DMS of lost assets will collect data on the affected assets from 100% of APs following detailed engineering design during preparation of the update/final RP. The data collected during the DMS will constitute the formal basis for determining AP entitlements and levels of compensation. For each AP, the scope of the data will include:</p> <ul style="list-style-type: none"> • Total and affected areas of land, by type of land assets; • Total and affected areas of structures, by type of structure (main or secondary); • Legal status of affected land and structure assets, and duration of tenure and ownership; • Quantity and types of affected crops and trees; • Quantity of other losses, e.g., business or other income, jobs or other productive assets; estimated daily net income from informal shops; • Quantity/area of affected common property, community or public assets, by type; • Summary data on AP households, by ethnicity, sex of head of household,
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	<p>household size, primary and secondary source of household income viz-a-viz poverty line, income level, whether household is headed by women, elderly, disabled, poor or indigenous peoples;</p> <ul style="list-style-type: none"> • Identify whether affected land or source of income is primary source of income; • AP knowledge of the subproject and preferences for compensation and, as required, relocation sites and rehabilitation measures.
Socioeconomic Survey	<p>At a minimum, SES will collect information from a sample of 10% of affected people and 20% of severely affected APs, disaggregated by sex and ethnicity. In the case of the STWSP, the expected number of affected households will be minimal, so the SES shall survey 100% of affected households. The purpose of the SES is to provide baseline data on APs to assess resettlement impacts, and to be sure proposed entitlements are appropriate, and to be used for resettlement monitoring. The scope of data to be collected includes:</p> <ul style="list-style-type: none"> • Household head: name, sex, age, livelihood or occupation, income, education and ethnicity; • Household members: number, livelihood or occupation, school age children and school attendance, and literacy, disaggregated by sex; • Living conditions: access to water, sanitation and energy for cooking and lighting; ownership of durable goods; and • Access to basic services and facilities.
Replacement Cost Survey	<p>The RCS will be done in parallel with IOL and DMS activities by collecting information from both secondary sources and primary sources (direct interviews with people in the affected area, material suppliers, house contractors), and from both those affected and those not affected. The government rates will be adjusted, as necessary, based on the findings of a RCS. Compensation rates will be continuously updated to ensure that APs receive compensation at replacement cost at the time of compensation payment.</p>

The PIU will work with the DRC, the village committees and other local authorities to collect the data. Throughout the fieldwork, the project consultants will provide support and the IEM will monitor survey activities. All data collection and analysis for the DMS and SES will disaggregate data by sex and ethnicity and assess the existing gender, poverty and minority ethnic group conditions in the subproject area, as well as how these vulnerable groups are impacted by land acquisition.

APs will be notified by the PIU, DRC and village committees at least two (2) weeks in advance of the beginning of the data collection, by letter and/or in a public meeting and with public notices posted in the subproject villages. APs will be requested to be available and participate in the surveys.

7.3.3 Subproject Database

All data from the census, DMS and SES will be entered into a computerized database. A single file will be created for each subproject, with separate worksheets for each subproject output with land acquisition impacts. The PIU and PCU will ensure that the database is maintained for the duration of the subproject implementation. The database will be updated (i) to include additional APs and/or losses, for instance, if the RP is updated following detailed engineering design or other design changes; and, (ii) to record compensation costs and payments as made to APs.

7.3.4 Identification and Documentation of Voluntary Contributions

The PIU will identify the APs that are eligible for and choose to make a voluntary donation of land required for the subproject. Based on the DMS, an official list of APs wishing to make voluntary contributions will be prepared. The PIU, DRC and village committees will consult with these APs to ensure that they fully understand the implications of this choice and that they are making an informed decision.

The PIU, DRC and village committees will negotiate written agreements with APs making voluntary contributions, but only following the DMS and the official list (see sample agreement in Attachment 1). These agreements will be witnessed and verified by an independent third party

such as a representative of LWU. The IEM will also monitor the process of negotiating and verifying these agreements. Copies of the agreements will be appended to the final RP.

7.3.5 Endorsement and Approval of RP

The PIU will finalize the draft RP, incorporating the comments and suggestions made by APs. The draft RP will be produced in Lao and, as appropriate, local languages; the PCU will assist the PIU to produce an English language version.

The PIU will submit the draft RP to PCU. Following a review that the RP complies with Project policies and procedures, the PCU will submit the draft RP to the PRC for formal endorsement.

The PRC-endorsed RP will be submitted to WREA for GOL approval and then to ADB for approval prior to appraisal of the subproject. In addition, prior to submission to ADB for approval, it will be disclosed in accordance with ADB's Public Communications Policy to the affected communities and on ADB's website.

7.3.6 Updating the RP

The draft RPs prepared during the subproject Feasibility Study will be updated following the completion of detailed engineering following the steps outlined above. In addition, if during the implementation of any subproject there are major changes to the siting, design or other characteristics of the subproject that affect land acquisition requirements, the RP will be updated to reflect these changes.

For all updated RPs, the DMS and a replacement cost survey will be carried out. A new SES will be carried out if the updating of the RPs does not commence within two years as demographic and socio-economic factors may change significantly. It will cover 20% of severely affected APs and at least 10% of other APs. However, if the number of affected households is small, then 100% of the households shall be included in the SES. It is essential to update information on (i) the type, extent and severity of losses, (ii) entitlements to compensation and/or rehabilitation, (iii) compensation rates and costs based on updated replacement costs and (iv) rehabilitation strategies and costs for severely affected and/or vulnerable APs.

Updated RPs will be reviewed by the PCU and endorsed by the PRC, and forwarded to the WREA and ADB as a "Supplement to the RP". This supplement will be read together with the originally prepared RP. Prior to submission to ADB, updated RPs will be disclosed to APs.

8 Implementation of Resettlement Plan

Land acquisition, compensation and relocation of APs cannot commence until ADB has reviewed and approved the final RP.

Following ADB approval of the final RP, the PCU has the authority to coordinate the start of land acquisition, compensation and resettlement activities. During implementation of the final RP, the PCU in collaboration with the PIU will submit progress reports to ADB as part of Project performance monitoring.

All land acquisition, compensation and resettlement activities will be coordinated with the civil works schedule. ADB will not approve contracts for civil works until (i) compensation and relocation of APs have been satisfactorily completed; (ii) agreed rehabilitation assistance is in place; and, (iii) the site is free of all encumbrances. The PCU will submit a subproject completion report to ADB when these conditions have been met, and request approval to award civil works contracts.

9 Information Disclosure and Grievance Redress

9.1 Information Dissemination and Consultations

Dissemination of information and consultations with APs will occur at different points in the preparation and implementation of the subprojects, to ensure that APs and other stakeholders have timely information about land acquisition, compensation and resettlement, as well as adequate and appropriate opportunities to participate in and express their preferences and concerns regarding the land acquisition and compensation program.

The PIU and DRC are responsible to organize and conduct all information dissemination and consultation activities. Much of this work will be carried out in collaboration with the VRCs and/or village committees. In addition, the PCU and project consultants will provide continuous support. Written records will be maintained for all meetings and consultations (see Attachment 5).

The scope of information to be provided to APs includes: (i) description of Project and overall schedule; (ii) DMS and RCS results, (iii) policy principles and entitlements and special provisions, (iv) grievance procedures, (v) timing for payments and displacement schedule, and (vi) institutional responsibilities. The scope of consultation meetings includes:

A public information meeting prior to the data collection for the AP census, DMS and SES, to provide APs and other stakeholders with information regarding the scope and objectives of the subproject; the policies, principles and procedures for the RP and resettlement activities; preliminary estimates of land acquisition requirements and resettlement impacts; and, schedules and procedures for the upcoming fieldwork. At this meeting, participants will be encouraged to ask questions and to comment on the subproject and land acquisition and resettlement requirements.

Consultations with severely affected and/or vulnerable APs that have been identified during the AP census, DMS and SES, to discuss their needs and preferences for rehabilitation assistance. These consultations will generally occur in small groups, for example, severely affected and/or vulnerable APs in each village. Separate consultations will be organized with women and/or ethnic minorities, as necessary to ensure that they are provided adequate and appropriate opportunities to participate in discussions.

A public information meeting prior to the completion of the draft RP, to discuss the detailed subproject design, the results of the DMS, proposed compensation rates and entitlements, handing-over of entitlements, monitoring of impacts and benefits and resolution of complaints and grievances; and, to solicit comments and suggestions from APs and other stakeholders about the scope and provisions of the RP.

The PIU, DRC and/or village committees will ensure that APs are notified about resettlement activities, including: (i) all public meetings and consultations, at least two (2) weeks in advance; (ii) the DMS and other fieldwork, at least two (2) weeks in advance and the requirement for APs to participate in the DMS; (iii) AP entitlements and compensation amounts; and, (iv) timing and procedures for payment of compensation. The form of notification will include, as appropriate, notices posted in villages; letters, notices or small brochures delivered individually to APs; and, radio announcements. The DRC and PIUs will be responsible for the disclosure of the RP to the APs prior to submission to ADB. ADB will upload the draft and final RP on ADB's website. Monitoring reports on RP implementation will also be uploaded on ADB's website.

A Public Information Brochure (PIB) will be prepared for each subproject as a tool to provide information to APs and other stakeholders about the nature of the subproject, the likely land acquisition impacts, the entitlements of APs for compensation and rehabilitation assistance and the procedures for further information dissemination and consultations. The PIB will be prepared during preparation of the draft RP and, as relevant, updated for use during the updating of the RP. An example of the PIB prepared prior to the IOL for the Songkhone subproject is included in Attachment 6.

9.2 Grievance Redress Mechanisms

Article 13 of Decree 192/PM requires the Project to establish an effective mechanism for grievance resolution. Lao legal requirements for this mechanism are further described in Part VI of the Decree's Implementing Regulations, and in detail in the Technical Guidelines.

Decree 192/PM determines that the prime responsibility for grievance resolution is the Project proponent, i.e., MPWT. As they are responsible for carrying out Project works which are likely the source of grievances (such as the DMS, establishing replacement costs, determining other allowances) they are best placed to respond to and resolve grievances in the most timely and acceptable method. The objectives of this mechanism are to ensure AP satisfaction with implementation of the RP, and in effect provide for on the ground monitoring by APs of the adequate implementation of the RP.

A well-defined grievance redress and resolution mechanism will be established for the STWSP to address AP grievances and complaints regarding land acquisition, compensation and resettlement in a timely and satisfactory manner. All APs will be made fully aware of their rights, and the detailed procedures for filing grievances and an appeal process will be publicized through an effective public information campaign.

APs are entitled to lodge complaints regarding any aspect of the land acquisition and resettlement requirements; compensation policy, entitlements, rates and payment; and, strategies and procedures for resettlement and rehabilitation assistance programs. AP complaints can be made verbally or in written form. In the case of verbal complaints, a written record of the complaint will be made during the first meeting with the AP. APs who present their complaints within the prescribed procedures will be exempt from all administrative fees incurred. In addition, APs who lodge complaints and appeals to district courts will be provided with free legal representation.

For the purposes of grievance redress and resolution, the Project will rely on the existing village arbitration units where they have already been established in core villages. The village arbitration unit generally consists of the village chief and/or deputy chief, village elders and village representatives of the LWU, LFNC and the police; the unit is responsible for settling disputes between villagers through conciliation and negotiation. In the absence of these units, the members of the VRC (if formed) or the village leaders will act as grievance officers. At the district and provincial levels, the district and provincial resettlement committees that are composed of concerned departments, local officials, village chiefs and mass organizations will act as grievance officers.

The following procedures are proposed for redress of grievances during the STWSP.

Table 16: Grievance Redress Procedures

No.	Procedure
1	Stage 1: In the first instance, APs will address complaints on any aspect of compensation, relocation or unaddressed losses to the village arbitration unit or other designated village grievance officers. The unit will organize a meeting with the complainants to resolve the issue using its traditional methods of conciliation and negotiation; the meeting will be held in a public place and will be open to other APs and villagers to ensure transparency.
2	Stage 2: If within 5 days of lodging the complaint, no understanding or amicable solution can be reached or no response is received from the village arbitration unit, the AP can bring the complaint to the 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 PRC. The PRC will provide a decision on the appeal within 10 days.
4	Stage 4: If the AP is still not satisfied with the decision of the PRC, or in the absence of any response within the stipulated time, the AP can submit his/her grievance to DHUP. The DHUP acting on behalf of the MPWT will render within 10 days of receiving the appeal.
5	Stage 5: As a last resort, the AP may submit his/her case to the Court of Law. The complaint will be lodged with the Court of Law; the decision of the Court will be final. Although the technical

No.	Procedure
	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.

The IEM will be responsible for checking the procedures for and resolutions of grievances and complaints. The IEM may recommend further measures to be taken to redress unresolved grievances.

All legal and administrative costs incurred by APs and their representatives throughout this process are to be covered by the Project.

At each stage of the grievance redress process, careful written records will be maintained. The village arbitration unit will submit reports to the DRC documenting the following: (i) the complaints as received; (ii) the names and other pertinent information about complainants; (iii) the dates of the original complaint, meetings and any other actions; and, (iv) the outcomes and/or resolution. The DRC, PRC and DHUP (or PCU acting for DHUP) will each maintain similar records for appeals that are submitted to them. The records of grievances will be included in regular progress reporting on the subproject.

In addition to the grievance mechanism described above, APs may also (or permit representatives on their behalf) raise their concern or complaint with the ADB Resident Mission office in Vientiane, in case APs are still not satisfied with the resolution of their complaints at the Project and central level.

10 Monitoring and Evaluation

Monitoring and evaluation of the RP allows project owners to ensure smooth progress of RP updating, preparation and implementation, which is on the critical path for civil works, by providing for a review of information on the progress of implementation of RP activities. Importantly, monitoring must also address the degree to which the resettlement activities have achieved their desired outcomes, particularly where this involves the rehabilitation of AP's housing, livelihoods and lifestyles. These two monitoring objectives will be addressed through two mechanisms: (a) internal monitoring by the PIUs/PCU and DRCs, and (b) external monitoring and evaluation by an independent external monitor (IEM).

10.1 Internal Monitoring

The PIU will supervise the preparation and implementation of the subproject RP and will monitor and report on all land acquisition, compensation and resettlement activities carried out at the provincial, district and village levels. The scope of internal monitoring will assess (i) compliance with agreed resettlement policies and procedures; (ii) the availability of resources and efficient, effective use of these resources; and, (iii) requirements for remedial actions.

The PIU will submit quarterly progress reports to the PCU that will review and consolidate all provincial reports into the Project performance monitoring system, that will be used to prepare quarterly progress reports for submission to ADB. All monitoring data will be collected to ensure sex- and ethnicity disaggregation.

Table 17: Key Internal Monitoring Indicators

Type	Indicator	Examples of Data
INPUTS INDICATORS	Staffing and Equipment	<ul style="list-style-type: none"> Number of staff with resettlement skills in PIU Formation of each PRC, DRC and VRC Number of PRC, DRC, VRC & village committee members and roles Adequate equipment for performing functions (including grievance recording) Training undertaken for all implementing agencies External monitor contracted and mobilized
	Finance	<ul style="list-style-type: none"> Funds disbursed to APs in a timely manner (compensation for non-land assets and allowances) Funds disbursed to develop relocation sites, improvement of land to make it productive; administration costs; external monitoring Government funds disbursed to APs in a timely manner (land acquisition)
PROCESS INDICATORS	Consultation, Participation, and Grievance Resolution	<ul style="list-style-type: none"> Distribution of PIB to all APs Summary RP available in all districts Translation at minority ethnic group villages and for individual minority APs in villages of other ethnicity Consultations and participation undertaken as scheduled in the RP Grievances by type and resolution Number of local-based organizations participating in project
	Procedures in Operations	<ul style="list-style-type: none"> DMS and asset verification procedures in place Effectiveness of compensation delivery system Number of land transfers effected (public and private land) Coordination among PIU and provincial, district and village officials and mass organizations
OUTPUT INDICATORS	Acquisition of Land	<ul style="list-style-type: none"> Area of cultivation land and other productive land acquired Area of residential land acquired Area of unallocated public land required for subproject Areas of land affected temporarily (by land use and public/private)
	Buildings	<ul style="list-style-type: none"> Number, type and size of private houses/structures affected Number, type and size of community buildings affected Number, type and size of government assets affected
	Trees and Crops	<ul style="list-style-type: none"> Number and type of private trees acquired Number and type of government/community trees acquired Number and type of crops acquired Crops destroyed by area, type and number of owners
	Compensation and Rehabilitation	<ul style="list-style-type: none"> Number of households affected (land, buildings, trees, crops) Number of owners compensated by type of loss Amount compensated by type and owner Number and amount of payment paid Compensation payments made on time Compensation payments according to agreed rates Number of houses, shops or other structures demolished Number of replacement houses built by APs on the same plot Number of replacement houses built by APs on other plots Number of replacement businesses constructed by APs Number of replacement land purchases effected Number of land titles and land survey certificates issued Number of vulnerable groups provided additional assistance
	Reestablishment of Community Resources	<ul style="list-style-type: none"> Number of community buildings repaired or replaced Number of seedlings supplied by type

10.2 External Monitoring

External monitoring provides an independent avenue to verify results of internal monitoring, and to take a qualitative assessment of the success of these measures to meet their intended objectives. The external monitor is required to ascertain whether APs have been able to restore their living standards and their livelihoods, and have not become worse off due to the project. All monitoring data will be collected so as to allow disaggregation by sex and ethnicity.

The PCU will recruit an IEM to conduct external monitoring and evaluation of resettlement for the STWSP, focusing on the social impacts of the Project and whether APs are able to restore, and preferably improve, their pre-Project living standards, incomes and productive capacity. The IEM will come from an independent organization, such as an academic or research institute or consultancy in Laos, with experience in resettlement monitoring and social assessment. They will be contracted by MPWT and commence in advance of resettlement implementation. The IEM will offer, if needed, (i) external support and technical expertise to the PIU on matters such as compensation rates; (ii) advice to resolve issues or problems that arise during RP preparation and implementation; and, (iii) an overall assessment of land acquisition, compensation and resettlement for the Project from a broader, long-term socio-economic perspective. The scope of external monitoring indicators is indicated below.

Table 18: External Monitoring Indicators

Indicators	Variables	Mechanism for Assessment	Timing of Assessment
RP Implementation	<ul style="list-style-type: none"> Resettlement staffing Compensation Disbursements Land and assets acquired Preparation of replacement land Project funds disbursement Government funds disbursement Public information and consultation AP asset replacement 	<ul style="list-style-type: none"> Review of internal monitoring reports Review Contractor plans and actions Interviews with and observation of implementing agencies at each level Random sample of interviews with APs 	Every annual monitoring mission
Restoration of Living Standards and Livelihoods	<ul style="list-style-type: none"> Compensation at replacement cost Compensation with no depreciation or fees/taxes Adequacy and suitability of replacement land Adequacy of moving costs Adequate timing for asset acquisition/replacement Tenure security of APs 	<ul style="list-style-type: none"> Interviews with APs – stratified sample for those relocating, and those being allocated land, indigenous peoples and women Review of internal monitoring reports Review of revised compensation costs and materials costs Interviews with Provincial Lands Departments for land records 	Every annual monitoring mission
	<ul style="list-style-type: none"> Changes in AP income levels, and sources of income Changes in AP access to safe water and proper sanitation Changes in AP access to other services and utilities AP participation in community organizations AP participation in associated social action programs related to the project Vulnerable groups rehabilitation 	<ul style="list-style-type: none"> Replicate socioeconomic survey of a sample of APs (with some revisions for new social programs) Comparison with original socioeconomic survey and with later results Village level focus group discussions, including women and indigenous peoples Interviews with vulnerable APs 	At the commencement of resettlement implementation (Year1), and project completion (Year 2)
AP Satisfaction	<ul style="list-style-type: none"> AP awareness of resettlement procedures and entitlements 	<ul style="list-style-type: none"> Review records of grievance lodgement and 	Every annual monitoring mission

Indicators	Variables	Mechanism for Assessment	Timing of Assessment
	<ul style="list-style-type: none"> AP awareness and use of grievance system AP satisfaction with the resettlement process 	redress <ul style="list-style-type: none"> Random sample of interviews with APs Community meetings Focus Groups discussions with various categories of APs 	
Effectiveness of Resettlement Planning	<ul style="list-style-type: none"> Accuracy of DMS for AP and asset loss recoding and planning Adequacy of budget for implementation Adequacy of implementation schedule to undertake required tasks Occurrence of unforeseen problems 	<ul style="list-style-type: none"> Review records of grievance lodgement and redress Random sample of interviews with APs Interviews with implementing agencies at each level 	Every annual monitoring mission
Resettlement Impacts	<ul style="list-style-type: none"> Re-occupation of cleared land Migration to the project area 	<ul style="list-style-type: none"> Village chief meetings Random AP interviews Observation 	Every annual monitoring mission

The IEM will be recruited and mobilized at the beginning of the preparation of each subproject (or the detailed engineering design for the three subprojects prepared during the PPTA); and, will monitor all activities related to resettlement planning, payment of compensation and relocation and income restoration. The IEM will prepare monitoring reports every six (6) months up through the period when APs receive compensation and remove from acquired land. The IEM will also conduct a post-resettlement evaluation three (3) months after compensation and relocation are completed. All IEM reports will be submitted to the PCU, WREA and ADB, with copies to the PIU. These reports will be provided to the PCU, WREA and to the ADB for uploading on ADB's resettlement website.

Most importantly, the external monitor's reports will include any identified issues and recommendations for rectifying outstanding matters. The monitor will also highlight any significant successes and commendable approaches or methods used in the project which may provide a learning opportunity to the PCU and other resettlement projects.

11 Resettlement Costs and Budget

All compensation for land and other affected assets will be paid at replacement cost based on current market prices. Compensation rates will be established in each STWSP province, at replacement cost based on market prices and, as required, updated when market prices change. If payment of compensation is delayed, compensation rates will be updated regularly based on inflation rates to ensure that APs receive compensation at replacement cost at the time of compensation payment.

All costs for subproject resettlement programs under the STWSP including land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed by provinces using counterpart funds. The Ministry of Finance will be responsible for the disbursement of funds to each of the relevant Project Provincial Governor's Offices. These funds will be managed by the Provincial Resettlement Committee (which includes the Governor's Office) and disbursed to APs in accordance with the agreements reached and the resettlement schedule. The Government will ensure timely provision of counterpart funds for resettlement to meet any unforeseen obligations in excess of the resettlement budget estimates in order to satisfy resettlement requirements and objectives.

Attachment 1: Voluntary Contribution Form

VOLUNTARY CONTRIBUTION FORM OF RESIDENTIAL LAND (Sample)

I am fully aware that I/We will be affected by the [] subproject and that the CAT/PIU staff and local authorities have informed me/us of my/our right to receive compensation at replacement cost for all my/our affected assets, i.e., land, house, structures, trees and crops.

The total amount of compensation payment that I/we are entitled to receive is [] Kip.

I/We agree to donate voluntarily a small portion of my/our residential land ([]sq.m) because the impacts on my/our land will be minor. Furthermore, I/we confirm that:

- My/Our residential land has a total area of [] sq.m; and, is not less than 300 sq.m.
- The area of land that i/we will donate is not more than 5% of my/our total residential land.
- There are no houses, other structures or fixed assets on the land to be donated.
- The cash equivalent of the land that will be donated is [] Kip.

I hereby certify that the information stated herein

- was read and explained to me carefully by the CAT/PIU staff and local authorities
- I read it myself.

Name and Signature (or thumb mark): _____

Village : _____

Date : _____

If land being donated is conjugal property, spouse to sign below:

Name and signature/ thumb mark of spouse :

Witnessed by:

Signature over printed name Position/Organization Date:

Name & Signature of Village Chief : _____ Date: _____

Name & Signature of Project Staff : _____ Date: _____

Attachment 2: TOR for Consultants

Consultants will be selected and engaged in accordance with the Bank's Guidelines on the Use of Consultants. To ensure proper coordination between the outputs, the Project consulting services will be provided under a single consulting package, by associations of international and domestic consulting firms.

These Terms of Reference apply to the services of Resettlement Specialists within the contract for Project Consultants for Output 5.

The Resettlement Specialists will assist DHUP and subproject PCUs, PIUs and DRCs in the finalization of RPs for all STWSP subprojects. Activities will include:

- (i) Following detailed engineering design for each subproject, prepare a Resettlement Plan; and, update the draft RPs prepared for Huoixai, Viengphoukha and Songkhone. The RPs will be in the form of a final database of affected persons, summary of the updated detailed measurement survey data, sub-project compensation tables for each subproject.
- (ii) Assist DHUP and subproject PCUs, PIUs and DRCs to disclose all RPs to affected communities and general public in a form and language they can understand and in an easily accessible place, before submission to ADB for approval. This can be in a form of a public information booklet, a summary RP or a complete RP. The Public Information Booklet (PIB) or summary RP will clearly state that copies of complete RPs (both in English and Lao) are available to the public and can be obtained from the district offices. All approved RPs will be immediately uploaded on ADB resettlement website.
- (iii) Assist PCUs, PIUs and DRCs to implement information campaigns and stakeholder participation.
- (iv) Assist DHUP and subproject PCUs, PIUs and DRCs to implement procedures for (a) minimizing adverse social impacts from land acquisition and loss of other assets throughout the planning, design and implementation phases; (b) undertaking and completing census and detailed measurement survey of all losses; (c) coordinating resettlement and compensation activities on the various subprojects; (d) ensuring that at all stages of resettlement planning, management and monitoring, gender and minority ethnic concerns are incorporated, including gender-specific consultation and information disclosure; this will include special attention to guarantee women's assets, property and land-use rights; and to ensure the restoration of their living and income standards; (e) tracking compliance with project policies; and (f) implementing promptly corrective actions and resolving grievances.
- (v) Assist PCUs, PIUs and DRCs to develop detailed income restoration programs for people severely affected by loss of livelihood and income, including provision of agricultural extension assistance, skills training, micro-credit assistance, and development of other income generation activity as compensation for lost land.
- (vi) Assist DHUP to implement (a) liaison mechanisms to ensure proper technical and logistical support to the PCUs, PIUs and DRCs, and (b) procedures for a management information system and ongoing internal monitoring.
- (vii) Coordinate with the IEM activities and ensure that the Terms of Reference are properly and effectively achieved.
- (i) Provide formal and on-the-job training for DHUP and provincial and district participants in STWSP subprojects related to resettlement, social impact/assessment, gender and environmental assessment.

Attachment 3: TOR for Independent External Monitor (IEM)

Objectives and Scope of External Monitoring

The general objective for external monitoring is to provide an independent periodic review to:

- (i) verify results of internal monitoring;
- (ii) assess whether resettlement objectives have been met; specifically, whether livelihoods and living standards have been restored or enhanced;
- (iii) assess resettlement efficiency, effectiveness, impact and sustainability, drawing lessons as a guide to future resettlement policy making and planning; and
- (iv) ascertain whether the resettlement entitlements were appropriate to meeting the objectives, and whether the objectives were suited to AP conditions.

Hiring, Qualifications and Timing

In accordance with ADB requirements for consultant procurement, DHUP will engage an individual or organization for the independent monitoring and evaluation of the implementation of land acquisition and compensation activities. The individual or organization, to be called the IEM, will be a) a specialist and/or specialized in social sciences and b) experienced in resettlement monitoring for international agencies. The IEM should start its work at the beginning of the implementation phase of the STWSP and before work begins to update and/or prepare RP for subprojects.

Monitoring and Evaluation Indicators

The following indicators will be monitored and evaluated by the IEM:

- (i) Payment of compensation: a) Full payment to be made to all APs sufficiently before land acquisition; adequacy of payment to replace affected assets. b) Compensation for affected structures should be equivalent to the replacement cost at current market value of materials and labour based on standards and special features of constructions with no deductions made for depreciation or the value of salvageable materials.
- (ii) Co-ordination of resettlement activities with construction schedule: The completion of land acquisition and resettlement activities for any sub-project to be completed prior to the approval to award of the civil works contract for that sub-project.
- (iii) Provision for technical assistance for house construction: For APs who rebuild their structures on their remaining land, or build their own structures in new places as arranged by the Project, or on newly assigned plots.
- (iv) Process of providing allowances to all entitled APs according to the legal and regulatory framework of Lao PDR and the Project policies.
- (v) Facilitation of access to economic and income restoration assistance, according to the policies of the Project.
- (vi) Public consultation and awareness of compensation policy: a) APs should be fully informed and consulted about land acquisition and relocation activities. b) The monitoring team should attend at least one public consultation meeting each month to monitor public consultation procedures, problems and issues that arise during the meetings and solutions that are proposed. c) Public awareness of the compensation policy and entitlements will be assessed among APs. d) Assessment of awareness of various options available to APs as provided for by the RP.

- (vii) Restoration of productive activities: Affected persons should be monitored regarding restoration of productive activities so as to ensure the process is satisfactory for the APs.
- (viii) The level of satisfaction of APs with various aspects of the RP: This will be assessed, reviewed and recorded, and the operation of the mechanisms for grievance redress and the speed of grievance redress will be monitored.
- (ix) Trends in living standards: Throughout the implementation process, this will be observed and surveyed, with special attention being paid to any differences according to gender or ethnicity. Any potential problems in the restoration of living standards will be reported.

Methodology

The methodology for conducting monitoring and evaluation of implementation of the RP will include the following activities:

- (i) Review of the DMS database
- (ii) Sample socio-economic surveys
- (i) Key informant interviews with selected local leaders, resettlement committee members;
- (ii) Focus group discussions on specific topics such as compensation payment, income restoration and relocation;
- (iii) Community public meetings to discuss community losses and impacts and construction work employment;
- (iv) Structured direct field observations on the status of resettlement implementation in addition to individual and groups interview for cross-checking purposes;
- (v) Informal surveys and interviews of APs, host communities, special interest or vulnerable groups and women;
- (vi) In-depth case studies of problems that have arisen during internal or external monitoring requiring special efforts for resolution.

The IEM will maintain a database of resettlement monitoring information that will be updated, as relevant, every 3 months. For each subproject, it will contain certain files on each affected household and will be updated based on information collected on successive rounds of data collection. All databases compiled will be fully accessible by all implementing agencies and those involved in the management of the resettlement component.

The IEM is required to submit the findings of the periodic monitoring at intervals to be agreed (but between two and three times a year). These monitoring reports shall be directly submitted at the end of each quarter of monitoring activity to DHUP and the ADB.

The report should contain the following topics:

- (i) Progress of RP implementation;
- (ii) Deviations, if any, from the provisions and principles of the RP and an explanation thereof;
- (iii) Identification of problem issues and recommended solutions so that implementing agencies are informed about the ongoing situation and can resolve problems in a timely manner; and
- (iv) Progress of the follow-up of problems and issues identified in the previous report.

The monitoring reports will be discussed in a meeting between the IEM, DHUP and the other implementing agencies held immediately after submission of the report. Necessary follow-up action will be taken based on the problems and issues identified in the reports and follow-up discussions.

Evaluation

The IEM will conduct an evaluation of the resettlement process and outcomes 6-12 months after completion of all resettlement activities for each subproject, using the same survey questionnaire and sample as used during the monitoring activities.

List of Potential Indicators for Monitoring and Evaluation

Monitoring Indicators	Basis for Indicators
Basic information on AP households	Location Composition and structure, ages, educational and skill levels Gender of household head Ethnic group Access to health, education, utilities and other social services Housing type Access to water supply and sanitation Land and other resource owning and using patterns Occupations and employment patterns Income sources and levels Agricultural production data (for rural households) Participation in neighborhood or community groups Access to cultural sites and events Value of all assets forming entitlements and resettlement entitlements
Restoration of Livelihoods	Were compensation payments free of deductions for depreciation, fees or transfer costs to the AP? Was compensation payment sufficient to replace lost assets? Was sufficient replacement land available of suitable standard? Did transfer and relocation payments cover these costs? Did income substitution allow for re-establishment of enterprises and production? Have enterprises affected received sufficient assistance to re-establish themselves? Have vulnerable groups been provided income-earning opportunities? Are these effective and sustainable? Do jobs provided restore pre-project income levels and living standards?
Levels of AP Satisfaction	How much do APs know about resettlement procedures and entitlements? Do APs know their entitlements? Do they know if these have been met? How do APs assess the extent to which their own living standards and livelihoods have been restored? How much do APs know about grievance procedures and conflict resolution procedures?
Effectiveness of Resettlement Planning	Were the APs and their assets correctly enumerated? Were any land speculators assisted? Was the time frame and budget sufficient to meet objectives? Were entitlements too generous? Were vulnerable groups identified and assisted? How did resettlement implementers deal with unforeseen problems?
Other Impacts	Were there unintended environmental impacts? Were there unintended impacts on employment or incomes?

Attachment 4: Land Acquisition and 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

Subproject town / district	
Province	
Scope of subproject (description of the nature and scope of works)	
a) Water supply system	
b) Drainage and sanitation	
c) Other	

C. Screening Questions for Resettlement Categorization

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

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

D. Involuntary Resettlement Category

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

[]	Category B , Not significant* land acquisition and resettlement impacts: a Resettlement Plan (RP) is required.
	RP 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.
[]	Category C , No land acquisition and resettlement impacts: No RP is required.

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

Affected Persons	Yes	No	Description (Numbers of APs, current situation)
Any estimate of the likely number of households that will be affected by the subproject?			
Are any of them designated poor households?			
Are any of them households that belong to minority ethnic groups?			
Are any of them households headed by women, elderly or disabled persons?			

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

Attachment 5: Consultation/Meeting Record Format

Date	Location	Agency	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
					▪
					▪
					▪
					▪

Attachment 6: Public Information Brochure

SMALL TOWNS WATER SUPPLY AND SANITATION SECTOR PROJECT (STWSP)

LAND ACQUISITION PUBLIC INFORMATION BROCHURE (PIB)

[Name of Subproject Town]

QUESTION: WHAT IS THE STWSP?

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

In [Name of Subproject Town], a new water supply system will be built to supply water to [Insert #] core villages. Water will be taken from the [Insert source] and treated at a treatment plant to be built on [Insert location of WTP]. Drainage will also be improved in [Insert scope of drainage]. Core villages will also be able to improve drainage and household sanitation.

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

QUESTION: WHEN WILL THE PROJECT START?

Answer: A Feasibility Study for the project in [Name of Subproject Town] has been completed. When this is approved, the detailed engineering design will begin. The projected date for the start of construction is [Insert date]. However, the Project will keep you informed about progress and important dates.

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

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

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

QUESTION: HOW WILL THE STWSP AFFECT PEOPLE IN [Name of Subproject Town]?

Answer: As much as possible, the water intake, treatment and storage facilities will be built on public land and the water pipes will be located in road rights-of-way. This will minimize the number of households that will be affected. However, some households may lose small amounts of land or structures and crops. Some shops may also experience temporary disruption to their businesses or may have to relocate temporarily. A preliminary census and inventory of losses was carried out in [Insert date] to identify potentially affected people. You will be informed about the results.

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

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

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

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

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

QUESTION: HOW AND WHEN WILL WE BE PAID?

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

QUESTION: HOW ELSE CAN THE PROJECT HELP?

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

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

QUESTION: CAN ANYBODY IN OUR COMMUNITY CLAIM COMPENSATION?

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

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

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

QUESTION: HOW WILL WE BE CONSULTED AND INFORMED?

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

Special consultations will be conducted with APs, for example, to arrange temporary relocation of shops to permit the drainage works in the market, or to develop appropriate rehabilitation

strategies for other APs that are severely affected or vulnerable. The PIU and village authorities will keep you informed about these consultations, particularly after the DMS.

QUESTION: WHAT IF WE DISAGREE?

Answer: APs can voice their complaints on any aspect of land acquisition, compensation, resettlement and implementation in verbal or written form and they will be addressed in a timely and satisfactory manner. APs must first address their complaints to their village chief and/or 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 in order 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:

[Name of Subproject Town]

Tel:

Fax: