

RESETTLEMENT ISSUES

A. Scope of Land Acquisition

1. Phase 2 of the Phuoc Hoa Water Resources Project supported by supplementary financing relates to three subprojects: Duc Hoa main canal, Duc Hoa irrigation area and Tan Bien irrigation area. A total of 713.78 ha of land will be acquired and a total of 4,683 households will be affected (21,537 persons), of which 1,151 households will be severely affected households.

2. **Duc Hoa main canal.** The Duc Hoa main canal will be 17.68 km in length. It will affect 4 communes and possibly some farming households from one town. A total of 469 households and 2,056 people are estimated to be affected and within these, some 283 households will experience significant impacts.

3. **Duc Hoa irrigation system.** The Duc Hoa irrigation system is located in Duc Hoa district of Long An Province. The acquired land is estimated at about 460.63 ha; 36 houses and 2 shops will be dismantled and some of these relocated. There will be crop areas of 382.73 ha to be compensated.

4. **Tan Bien irrigation system.** The Tan Bien irrigation system will affect 3 communes in Tan Bien District: Hoa Hiep, Thanh Tay and Tan Binh, and 2 communes in Chau Thanh District: An Co and Phuoc Vinh. There will be 433 households affected, comprising 1,951 people. Eight households may need to dismantle and relocate their houses, and crop areas totaling 133.34 ha will need to be compensated.

Table 1: Summary of Impacts on Land and Structures for the Project

| Physical Component | Impact on Household Structures | | | | | |
|----------------------------|----------------------------------|--------------------------|--------------|-----------------|--------------------|---------------|
| | Significant Impact on Households | | | Marginal Impact | Total Impact | |
| | > 20% of Agricultural Land | | | | | |
| | Total HHs ^a | Shop/Houses ^b | | HH | HH | Persons |
| Tan Bien irrigation system | 74 | 8 | 69 | 359 | 433 | 1,951 |
| Duc Hoa main canal | 283 | 80 | 239 | 186 | 469 | 2,056 |
| Duc Hoa irrigation system | 794 | 38 | 765 | 2,987 | 3,781 | 17,530 |
| Total | 1,151 | 126 | 1,073 | 3,532 | 4,683 | 21,537 |
| Loss of Land (ha) | | | | | | |
| | Residential | Agricultural | Ponds | Forest | Other ^c | Total |
| Tan Bien irrigation system | 1.63 | 133.34 | 0.02 | 0 | 0 | 135 |
| Duc Hoa main canal | 3.13 | 111.76 | 0.28 | 1.04 | 1.94 | 118.15 |
| Duc Hoa irrigation system | 17.29 | 382.73 | 2.05 | 0 | 58.56 | 460.63 |
| Total | 22.05 | 627.83 | 2.35 | 1.04 | 60.5 | 713.78 |

Ha = hectares, HH = household. Some households lose shops or houses and over 20% of total land area.

^a Includes shops and houses.

^b Combined shops and houses are also included in the column for Residential Loss of Land.

^c Includes roads, streams and uncompensated land.

Source: Asian Development Bank estimates

B. Resettlement Policy Framework

5. The resettlement policy framework for the project was prepared and approved in 2003. The resettlement framework (RF) has been updated, covering the policies of the Asian

Development Bank (ADB) and the government in respect of involuntary resettlement, compensation and assistance. In particular, the RF is in accordance with the ADB Safeguard Policy Statement (2009) and Government Decree 69/2009/ND-CP, and other relevant decrees and decisions. This updated RF provides the overall framework for compensation, assistance and resettlement that will be applied for the three phase 2 subprojects: Duc Hoa main canal, Tan Bien irrigation area and Duc Hoa irrigation areas.

C. Project Principles

6. The fundamental principle is to minimize the need for resettlement but where it is necessary ensure that populations affected by the project should be at least as well off, if not better off, than they would have been without the project. Affected populations must be able to maintain, and preferably improve, their standard of living and quality of life and that particular attention is placed on the needs of vulnerable groups which includes any indigenous or ethnic minorities, female headed households, the elderly with familial support, the chronically ill or disabled, and the poor.

D. Projects Eligibility and Entitlements

7. Eligibility will be determined with regard to the cut-off date, which is taken to be the date of completing the detailed measurement survey (DMS) for which land and/or assets affected by the project are measured. The affected peoples (APs) will be informed of the cut-off date for each subproject component, and any people who settle in the subproject area after the cut-off date will not be entitled to compensation and assistance under the subproject.

E. Ethnic Minorities and Disadvantaged Groups

8. In Tan Bien Irrigation area, there are some 14 ethnic minority households comprising 60 persons, and within these there are 6 households headed by women. In Duc Hoa main canal and Duc Hoa irrigation area there are no ethnic minority households. The 14 Khmer households in the Tan Bien subproject area are not severely impacted in regards to land acquisition or resettlement. They will be eligible for assistance under the Social Development component of the On-Farm and Social Development Program (OSDP).

F. Resettlement Strategy

9. Land acquisition will be compensated at market replacement value to all APs losing land for which they have legal claim. Structures and other assets such as crops and trees are compensated at replacement value. Relocation allowances and assistance for livelihood stabilization, loss of income, job retraining, rental assistance and housing assistance are available for affected households. Affected businesses are eligible for compensation and assistance for lost income and removal.

10. Resettlement site preparation and relocation will be implemented properly: (i) Physical displacement to resettlement sites will not take place until such time as the sites are ready and equipped with fully functioning infrastructure; (ii) In the case of population relocation, efforts shall be made for the existing social and cultural institutions of the people being resettled and host community to be maintained to the extent possible; (iii) Preparation of RPs and resettlement sites will be carried out with the full participation of affected people. APs' comments and suggestions will be duly taken into account during the design and implementation phases of the resettlement plans and in preparing the resettlement sites; (iv)

Adequate budgetary support will be fully committed and be made available to cover the costs of land acquisition, resettlement site preparation, and AP relocation and rehabilitation within the agreed implementation period.

G. Income Restoration

11. Businesses registered and non-registered are eligible for assistance to re-establish. Severely affected and vulnerable ethnic minority households, in addition to the assistances and allowance provided following the government policy (Decree 69/2009/ND-CP), will be provided assistance under the social development component of the OSDP to restore income through agriculture training and alternative vocational training as well as other stabilization allowances.

H. Information Disclosure, Participation, Consultation

12. RPs will be prepared in full consultation with local communities through meetings in hamlets and communes and farmer groups and with APs. Full disclosure will be made at all stages of project design. The project will accept feedback from APs and stakeholders on canal layout, land acquisition and compensation, resettlement needs, and ensure all APs are advised of: (i) the description of the subproject; (ii) the potential resettlement impacts by the subproject; (iii) the project resettlement policy framework; (iv) the implementation schedule; and, (v) the grievance redress mechanism. The RF and RPs have been approved by ADB and uploaded on its website.

I. Grievance Mechanism

13. The project will employ a four stage grievance procedure:

- i. First Stage, Commune People's Committee
- ii. Second Stage, District People's Committee
- iii. Third Stage, Provincial People's Committee
- iv. Fourth and Final Stage, the Court of Law Arbitrates

J. Institutional Arrangements

14. As per Decree 197/2004/ND-CP, the Ministry of Agriculture and Rural Development assigned the Long An Provincial Peoples' Committee to be the project holder responsible for the implementation of resettlement activities for both Ho Chi Minh City (HCMC) and Long An provinces, and the Tay Ninh Provincial Peoples' Committee to be responsible for resettlement activities in Tay Ninh, with the participation and support of their respective provincial steering committees and concerned provincial departments and the District Peoples' Committees of Trang Bang district in Tay Ninh Province, Cu Chi district in HCMC, and Duc Hoa district in Long An Province. Further support and implementation responsibilities are also delegated to the Commune Peoples' Committees in Loc Hung and An Tinh communes in Tay Ninh Province, Tay My commune in HCMC, and Tan My commune and Hau Nghia township in Long An Province. The main project implementation agency is the Hydraulic Project Investment and Construction Management Board No.9 (ICMB9) located in HCMC.

K. Monitoring of Resettlement Planning Implementation and Impacts

15. In addition to internal monitoring by the ICMB9 with assistance from the main implementation consultants, the executing agency will ensure an independent monitoring organization is appointed and reports to ICMB9 and ADB on a quarterly basis.

16. **Resettlement Cost Estimates.** The costs for resettlement implementation are D 8,959 billion (including a 10% contingency). The costs will be updated when the DMS data is available following the technical designs of the components and the result of replacement cost surveys following the DMS.

17. **Implementation Schedule.** Draft subproject RPs have been prepared and updated RPs will be available early in 2011 following completion of the technical designs. Compensation and resettlement are then expected to be implemented. The independent resettlement monitoring agency will be mobilized once the DMS is started in the subproject areas.

Table 2: Resettlement Cost Estimates for Subprojects

| Expenses | Duc Hoa main canal | Duc Hoa irrigation area | Tan Bien irrigation area |
|------------------|--------------------------|--------------------------|--------------------------|
| Agriculture land | 127,156,920,000 | 522,037,445,600 | 4,622,640,000 |
| Residential land | 35,390,080,000 | 23,580,013,600 | 42,089,874,200 |
| Other land | 1,760,000,000 | 2,796,200,000 | 0 |
| Houses and shops | 16,347,639,000 | 4,383,856,400 | 1,104,840,000 |
| Structures | 2,794,657,140 | 849,464,000 | 29,936,500 |
| Crops | 1,474,282,700 | 4,236,029,710 | 11,938,300,000 |
| Trees | 4,779,703,390 | 8,123,802,500 | 881,182,830 |
| Allowances | 10,642,940,000 | 21,795,620,000 | 11,203,060,000 |
| OSDP costs | 8,000,000,000 | 6,000,000,000 | 3,000,000,000 |
| Implementation | 4,407,616,889 | 12,931,653,500 | 1,581,136,338 |
| Total | D 212,753,839,119 | D 606,734,085,310 | D 76,450,969,868 |

Source: Asian Development Bank estimates

L. Entitlement Matrix

18. The entitlement matrix of the project is provided in the Resettlement Framework: Updated.