

Resettlement Plan

July 2012

Lao PDR: Greater Mekong Subregion East-West
Economic Corridor Towns Development Project

Kaysone Phomvihane, Lao PDR

Prepared by the Ministry of Public Works and Transport, Province of Savannakhet, and Savannakhet Provincial Department of Public Works and Transport for the Asian Development Bank.

CURRENCY EQUIVALENTS

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Currency Unit	–	kip (KN)
KN1.00	=	\$0.00012
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ABBREVIATIONS

AH	–	affected household
AP	–	affected person
DBTZ	–	Dansavanh Border Trade Zone
CGS	–	Country Gender Strategy
DBTZA	–	Dansavanh Border Trade Zone Authority
DONRE	–	Department of Natural Resources and Environment
DRC	–	District Resettlement Committee
EA	–	executing agency
EMP	–	environmental management plan
EMMP	–	environmental management and monitoring plan
ESMU	–	Environmental and Social Management Unit (of the PMU)
GAP	–	gender action plan
IA	–	implementing agency
IEE	–	initial environmental examination
IMO	–	Independent Monitoring Organisation
IP	–	Indigenous people
IR	–	Involuntary resettlement
LFNC	–	Lao Front for National Construction
LWU	–	Lao Women's Union
MAF	–	Ministry of Agriculture and Forestry
MDGs	–	Millennium Development Goals
MONRE	–	Ministry of Natural Resources and Environment
MPWT	–	Ministry of Public Works and Transport
PAFO	–	Provincial Agriculture and Forestry Office
PDPWT	–	Provincial Department of Public Works and Transport
PIU	–	Project Implementation Unit (of IA)

PMU	–	Project Management Unit (of EA)
PMSC	–	Project Management Support Consultant
PRC	–	Provincial Resettlement Committee
PSA	–	poverty and social assessment
REMC	–	Resettlement and Environmental Management Committee
RP	–	resettlement plan
ROW	–	right-of-way
SMMP	–	social management and monitoring plan
STIs	–	sexually transmitted infections
TNA	–	training needs assessment
TOR	–	terms of reference
UNDP	–	United Nations Development Programme
VRC	–	Village Resettlement Committee
WB	–	World Bank

GLOSSARY

Affected person	–	Means, as per Decree 192, any person or organization affected by a project, who in the context of acquisition of assets or change in land use, would have their: (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house, land (including residential, commercial, agricultural, plantations, forest and grazing land) water resources or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily adversely affected; (iii) business, occupation, place of work or residence areas adversely affected with or without displacement; and/or (iv) community resources adversely affected.
Compensation	–	Means payment in cash or in-kind at replacement cost for an asset to be acquired by the Project.
Cut-off date	–	Means 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 detailed measurement survey and census is completed.
Land acquisition	–	Means 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.
Livelihood impacts or economic	–	Means loss of income generating assets or access to income generating assets; or loss of income sources or means of livelihood, whether or not the affected persons must move to

displacement		another location, and includes loss, or restriction, of access to protected areas resulting in impacts on the livelihoods of the affected persons.
Physical displacement	–	Means the physical relocation or shifting of a person from his/her pre-project place of residence and/or business.
Rehabilitation	–	Means assistance provided to seriously affected people due to the loss of productive assets, incomes, employment or sources of living that require to be compensated in order to improve, or at least achieve full restoration of living standards to pre-project level. 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.
Replacement cost	–	Means the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets is not taken into account). Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standard.
Significant impact	–	As per Decree 192 a significant impact is a ‘Social Category S1 project’ where 200 persons (40-50 households) or more are severely affected due to: (i) >20% loss of productive assets or where the loss is less than 20% but the remaining assets are rendered economically unviable; (ii) displacement due to the loss of land and/or structures; (iii) permanent loss of incomes and employment; or 200 vulnerable persons (40-50 households) are affected. While as per ADB safeguard policy, APs being: (i) physically displaced from housing, and/or (ii) having 10% or more of their productive, income generating assets (livelihood, employment, business, and/or access to community resources) lost. Affected people experiencing significant impacts are referred to as being “severely affected”.
Vulnerable groups	–	Means, as per Decree 192, distinct groups of people who might suffer disproportionately from the loss of fixed and movable assets, other assets and production base or face the risk of being marginalized from the effects of resettlement and specifically include: (i) divorced or widowed female headed households with dependents and low income; (ii) households with disabled or invalid persons; (iii) households with persons falling under the generally accepted indicator for poverty as defined by the Ministry of Labor and Social Welfare, or the landless; and (iv) elderly households with no means of support.

NOTE

In this report, "\$" refers to US dollars.

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Contents

EXECUTIVE SUMMARY	V
INTRODUCTION	1
1.1 BACKGROUND TO THE PROJECT	1
1.1.1 <i>The Project Preparatory Technical Assistance</i>	1
1.1.2 <i>Objectives and Outcomes of the Project</i>	1
1.2 ADDRESSING SAFEGUARD IMPACTS	3
1.2.1 <i>Involuntary Resettlement</i>	3
1.2.2 <i>Indigenous People</i>	4
1.3 OBJECTIVES OF THE RESETTLEMENT PLAN	6
DESCRIPTION OF THE SUBPROJECTS	8
2.1 CONTEXT OF THE SUBPROJECTS	8
2.2 URBAN ROADS IMPROVEMENT	9
2.2.1 <i>Existing Conditions and Rationale for the Subproject</i>	9
2.2.2 <i>Components of the Subproject</i>	10
2.3 WASTEWATER TREATMENT AND DRAINAGE	11
2.3.1 <i>Existing Conditions and Rationale for the Subproject</i>	11
2.3.2 <i>Components of the Subproject</i>	12
2.4 MEKONG RIVER EMBANKMENT PROTECTION	13
2.4.1 <i>Existing Conditions and Rationale for the Subproject</i>	13
2.4.2 <i>Components of the Subproject</i>	14
III. SOCIO-ECONOMIC INFORMATION AND PROFILE	15
3.1 SUBPROJECT IMPACT AREAS AND AFFECTED HOUSEHOLDS	15
3.2 SOCIO-ECONOMIC PROFILE OF AFFECTED HOUSEHOLDS	16
3.2.1 <i>Size and Composition of Households</i>	16
3.2.2 <i>Age, Marital Status and Education of Head of Household</i>	18
3.2.3 <i>Livelihoods, Poverty and Vulnerability</i>	20
INCOME LEVELS AND POVERTY	21
3.3 GENDER ISSUES	23
3.3.1 <i>Gender Issues and Disaggregation of IOL Data</i>	23
3.3.2 <i>Gender Awareness in Training Delivery</i>	24
3.3.3 <i>Gender Sensitive Monitoring</i>	24
IV. INVOLUNTARY RESETTLEMENT IMPACTS AND LOSSES	26
4.1 URBAN ROADS IMPROVEMENT SUBPROJECT	26
4.1.1 <i>Land: Impacts and Losses</i>	26
4.1.2 <i>Impacts on Other Assets</i>	26
4.1.3 <i>Livelihood Impacts and Losses</i>	28
4.2 WASTEWATER TREATMENT AND DRAINAGE SUBPROJECT	29
4.2.1 <i>Land: Impacts and Losses</i>	29
4.2.2 <i>Impacts on Other Assets</i>	29
4.2.3 <i>Livelihood Impacts and Losses</i>	30
4.3 MEKONG RIVER EMBANKMENT SUBPROJECT	30
4.3.1 <i>Land: Impacts and Losses</i>	30
4.3.2 <i>Impacts on Other Assets</i>	30
4.3.3 <i>Livelihood Impacts and Losses</i>	31
V. CONSULTATION, PARTICIPATION AND DISCLOSURE	32

5.1	GENERAL	32
5.2	CONSULTATION UNDERTAKEN DURING RESETTLEMENT PLAN PREPARATION	33
5.2.1	<i>Urban Roads Improvement Subproject</i>	33
5.2.2	<i>Wastewater Treatment and Drainage Subproject</i>	35
5.2.3	<i>Mekong River Embankment Subproject</i>	35
5.2.4	<i>Summary of Issues Raised</i>	36
5.3	ONGOING CONSULTATIONS WITH COMMUNITIES	37
5.4	DISCLOSURE	38
VI.	GRIEVANCE REDRESS.....	39
VII.	LEGAL AND POLICY FRAMEWORK	42
7.1	NATIONAL LAWS	42
7.1.1	<i>The Constitution</i>	42
7.1.2	<i>Land Law</i>	42
7.1.3	<i>Land Titling</i>	43
7.1.4	<i>Law on Resettlement and Compensation</i>	43
7.2	FRAMEWORK FOR ENVIRONMENTAL AND SOCIAL ASSESSMENT.....	45
7.3	FRAMEWORK FOR CONSULTATION, PARTICIPATION AND DISCLOSURE	46
7.4	ADB SAFEGUARD 2: INVOLUNTARY RESETTLEMENT.....	46
7.5	NATIONAL LAW AND ADB POLICY GAP ANALYSIS	48
VIII.	ENTITLEMENTS, ASSISTANCE AND BENEFITS.....	49
8.1	OBJECTIVES	49
8.2	RESETTLEMENT POLICIES AND PRINCIPLES	49
8.2.1	<i>CTDP Resettlement Policy</i>	49
8.2.2	<i>Affected Persons and Eligibility</i>	51
8.2.3	<i>Basic Entitlements</i>	52
8.2.4	<i>Special Assistance and Allowances</i>	52
8.2.5	<i>Special Measures for Poor and Vulnerable People</i>	53
IX.	BUDGET AND FINANCIAL PLAN	59
9.1	REQUIREMENTS	59
9.2	ESTABLISHMENT OF RATES	59
9.3	SOURCE AND FLOW OF FUNDS.....	60
9.4	COSTS OF MITIGATING SUBPROJECT IR IMPACTS.....	61
9.4.1	<i>Urban Roads Improvement Subproject</i>	61
9.4.2	<i>Wastewater Treatment and Drainage Subproject</i>	61
9.4.3	<i>Mekong River Embankment Subproject</i>	62
9.4.4	<i>Summary of Costs</i>	62
X.	INSTITUTIONAL ARRANGEMENTS.....	65
10.1	EXECUTING AGENCY: MINISTRY OF PUBLIC WORKS AND TRANSPORT	67
10.2	PROJECT MANAGEMENT UNIT	67
10.3	PROJECT IMPLEMENTATION TEAM	69
10.4	PROJECT MANAGEMENT SUPPORT CONSULTANT	69
10.5	OTHER INSTITUTIONS INVOLVED IN RESETTLEMENT ACTIVITIES.....	70
10.5.1	<i>Provincial Resettlement Committee</i>	70
10.5.2	<i>Project Steering Committee</i>	71
10.5.3	<i>Independent Monitoring Organization</i>	71
10.5.4	<i>Ministry of Natural Resources and Environment</i>	71
XI.	IMPLEMENTATION SCHEDULE	72

XII. MONITORING AND REPORTING75

12.1 OBJECTIVES OF MONITORING75

12.2 INTERNAL MONITORING75

12.3 EXTERNAL MONITORING76

12.4 EVALUATION77

EXECUTIVE SUMMARY

1. **The Project.** At the request of the Governments of Cambodia, Lao PDR and Viet Nam, the Asian Development Bank (ADB) approved the Project Preparatory Technical Assistance (PPTA) to establish the basis for the proposed investment in priority urban infrastructure and capacity building measures for institutional strengthening in selected towns along two of the transport corridors in the Greater Mekong Sub-region (GMS). The Corridor Towns Development Project (CTDP) is designed to facilitate the transformation of transport corridors into economic corridors that would attract further investments in economic and environmental infrastructures to spur economic growth and sustained development. The expected impact of the CTDP will result in the corridor towns becoming the nucleus of economic activities, thereby contributing to the emergence of economic growth centers along the transport corridors in the GMS. The outcomes of the CTDP will lead to provision of adequate urban and infrastructure and essential services to facilitate growth and increase urbanization.
2. The potential investments (subprojects) in Lao PDR include the improvement and upgrading of the urban roads and drainage systems, wastewater treatment and collection system, expansion of the water supply and sanitation system, and solid waste management (including a materials recovery facility).
3. In Lao PDR the participating towns include Kaysone Phomvihane, Phine and Dansvavanh in Savannakhet. On behalf of the Government of Lao PDR (the Government) the executing agency (EA) in the Ministry of Public Works and Transport (MPWT) and the implementing agency (IA) is the Provincial Department of Public Works and Transport (PDPWT).
4. **Land acquisition and resettlement issues.** Five of the six priority subprojects in Lao PDR trigger involuntary resettlement (IR) effects, ranging from minor to significant impacts, and under both national law and ADB's Safeguard Policy Statement (SPS), require the preparation of resettlement plans (RPs) of sufficient detail and assessment commensurate with the scale/level of impacts. RPs have been for the subprojects in each of the towns. The RPs also propose a range of measures to close the gaps between the national law and the IR safeguard.
5. **Urban roads improvement subproject.** PDPWT has proposed improvements for three main roads in the town: Kaysone, Santhipap and Fa Ngum Roads. The subproject involves the upgrading of existing roads through widening to four lanes (or in the case of Fa Ngum Road two one-way sections) and improvement to the drainage system. The upgrading works also provide for installation of street lighting, tree planting trees in a median island and construction of footpaths.
6. The subproject will improve 12.9 km of existing roads including three components. Upgrading existing Kaysone Road to a total cross-section width of 25m to provide four traffic lanes sealed with asphalt concrete (1 x 3.5m and 1 x 3.8m on each side) plus a 1.5m wide shoulder to be used by motorbikes, installation of a 3.4m wide reinforced concrete island median for safety, footpath/covered drain on each side of the road (2m wide) which is sufficient width to re-install water supply pipes, telecommunication and electricity cables. Street furniture will be included, this will be located in the median island; traffic signage, installation of street lighting and tree and grass/shrub planting. Santiphap Road will be upgraded and widened to a total cross-section width of 20.2 m and improved to a similar standard as described above providing four lanes without the shoulder extension for motorbikes and a narrower median

island (1.2 m in width). The widening of Fa Ngum Road which at chainage Km 0.68 on Fa Ngum Road-1, the system will make the system become one-way around the proposed park area. The road will be upgraded to an asphalt concrete pavement and a 2 x 2m wide footpath will be provided.

7. **Wastewater treatment and drainage subproject.** The components of the subproject include; Package A – southern area (Lonkong system) – (i) improvement of about 2 km of existing lined open canal where damaged; (ii) lining of main sewerage pipes (2.5 km) following or parallel to the open storm drainage canal to the wastewater treatment plant and sewerage collecting pipes; (iii) 2.7 ha WWTP with surface aerated basin equipped with electric motor with propeller and slinger-ring on vertical shaft and retention pond; (iv) improve the natural stabilisation pond; (v) construct new open canal (0.5 km) following Houay Longkong and protect with rip-rap; and (vi) construct and install water pumps housed equipped with 2-pump unit capacity not less than 0.5m³/s each; Package B – central area (Chomkeo system) – (i) construct drainage structures (pipes culverts, manholes, gutters and chambers etc.) along Visoukan and Phongnotha Roads and connecting drainage from area between Phongnotha and Visoukan Roads; and (ii) construct a 500 m² WWTP at the outlet of Chomekeo Stream with septic tanks (requiring a land area of about 15m x 30m adjoining the stream outlet); and Package C – northern area (Kilamang system) – (i) installation of lined sewer pipes total approximately 700 m in length with diameters ranging from 400 mm to the wastewater treatment plant; and (ii) 2.7 ha WWTP with surface aerated basin equipped with electric motor with propeller and slinger-ring on vertical shaft and retention pond.

8. **Mekong River embankment protection subproject.** The subproject will involve the construction of an expanded area of riverbank erosion protection extending from the existing bank out to 50 m over an 800 m long section starting immediately south of the spirit house to avoid any impacts on this important cultural structure. The master plan has identified an area of 2.6 km along the Mekong River that eventually requires erosion protection, the section to be financed under CTDP is the priority section. The components of this multi-purpose urban infrastructure subproject includes: (i) civil works for the construction of a piled platform over the river for a length of 800 m and width of 50 m; (ii) embankment and riverside protection for the slope underneath the platform; (iii) civil works for the construction of concrete/asphalt pavements and drainage structures; (iv) construction of an administration building, comfort rooms/toilets (with appropriate sanitation) and other facilities required to improve the sanitary conditions of the night market area; and (v) Installation of water and power supply.

9. **Affected households.** As shown in Table 1, the three subprojects are located in thirteen villages and will affect a total of 290 households (AHs) (including one institution) and 1,445 people (APs) including 682 males and 763 females. The AHs includes 51 households that are headed by women.

Table 1 – Number of Affected Households and Persons

Subproject	No. of villages	No. of affected h'holds (AHs)	No. of female headed AHs	Total no. of affected persons (APs)	No. of male APs	No. of female APs
Urban roads	9	213	47	1073	512	561
Wastewater treatment	3	43	3	161	78	83
Mekong river embankment	1	34	1	211	92	119
Total	13	290	51	1445	682	763

10. Vulnerable households. In total there are 48 households (17%) that are considered vulnerable. Some 12% or 32 of the AHs fall below the official poverty line. Excluding those already included in the “poor”; (i) of the single female headed households there are eight in the 2nd income group (low income) and who have dependants; (ii) there are four household heads who are elderly and have little labor or means of support.; and (iii) four AHs recorded having members with a disability or long-term illness (including two females and four males).

11. The urban roads subproject includes 39 vulnerable AHs, the wastewater treatment subproject includes three and the Mekong River embankment subproject includes six vulnerable households. Vulnerable households are eligible for additional support and assistance to fully mitigate project impacts and help them improve their livelihoods.

12. **IR impacts of urban roads improvement subproject.** With the exception of one small area of land on Santiphap Road (nearly 41 m²) the subproject includes works within the right-of-way as defined by the land titling program undertaken in the late 1990s. As shown in Table 2, the works will create IR impacts on assets within the ROW including shops, kiosks and trees. There are no houses affected by the works. Most of the structures affected are small shops or kiosks constructed from wood and corrugated iron and located immediately in front of the house or larger commercial establishment that is behind the ROW. The works will affect structures belonging to 179 AHs, including 130 small shops or kiosks including awning/roof expansion structures (1,188 m²) that will require removal, and the walls (179 m) and fences (146 m) of 49 AHs are affected. The trees belonging to 136 AHs will be affected with 234 trees requiring removal. The main types of trees to be affected include mango, banana, and pawpaw/papaya and decorative trees.

Table 2 – IR Impacts on Assets by Type and by Road Section

Road section	No. of AHs with structures affected	Type of structure affected		No. of AHs with trees affected	No. of trees affected
		Shop or kiosk affected	Wall or fence affected		
Kaysone	95	73	22	65	114
Santhipap	67	46	21	54	93
Fa Ngum	17	11	6	17	27
Total	179	130	49	136	234

13. There will be livelihood impacts created by the subproject works with the removal of the shops and kiosks. Of the shops and other businesses affected, 85 stated they are registered. In addition to the owner, 142 people work in the shops/businesses.

14. Employees are entitled to compensation for lost wages for 1.5 months (the expected maximum length of construction work in any one location and for business to be re-built). The shops/businesses operate 6-7 days per week. Registered businesses are entitled to compensation based on net monthly income for 1.5 months. During the IOL the respondents would not give sufficient information as to monthly income, therefore this has been estimated using the same method as for non-registered businesses i.e. compensation based on value of minimum wage for 1.5 months. This will be updated when the RP is finalized.

15. The works will not affect any community property or resources.

16. **IR impacts of wastewater treatment subproject.** The total land area to be acquired is 5.9 ha being agricultural land belong to two AHs (losing 2.7 ha each) and residential land belonging to five AHs (each losing 100 m²) as shown in Table 3.

17. The sites proposed for northern and southern sites belong to two large land-holdings, for the two households each losing 2.7 ha of land, this represents a loss of 30% and 34% of the landholding at these locations. These landowners are long established and wealthy families in the town and also own land in other locations. In this context the losses are not considered to be severe. The sites are used by members of the owners' families for gardening and growing vegetables (mostly lettuce and herbs and in the dry season and rice in the wet season). There are six households of relatives using the land at each site.

Table 3 – IR Impacts of WWTP and Sewerage Subproject

IR Impact	No. of AHs	Area affected
Permanent loss of agricultural land	2	5.4 ha
Permanent loss of residential land	5	0.5 ha
Permanent loss of stalls	5	70 m ²
Temporary loss of stalls/kiosks	16	Not applicable
Removal of outdoor kitchens and latrine	4	36 m ²
Loss of vegetable growing area/gardens	12	5.4 ha
Total AHs	43	

18. There will be permanent impacts on 70 m² of small wooden stalls constructed over the drain opposite the Savanxai Market, these are being operated by five households. The impacts on the stalls and kiosks belonging to the other 16 AHs constructed over the drains are temporary in that they will be removed during the works and replaced following completion of the works. These stalls are makeshift and include a table with an umbrella or shade blanket attached to poles and are often taken down each evening, they are easy to uplift and replace and are therefore not considered to be permanent effects.

19. In an area adjacent to Kilimang stream a small group of houses have constructed small buildings behind their houses on the bank of the stream. The ancillary houses structures (three outdoor kitchens and one latrine totaling an area of 36 m²) belonging to four households will be removed by the works required along one of the existing channels for the northern system. Some 42 trees will also be removed including banana, coconut and bamboo.

20. There will be livelihood impacts created by the subproject works with the removal of the stalls and kiosks. Of the stalls affected none are registered businesses and are operated by the owners themselves i.e. they do not employ additional people. The shops/businesses will be compensated for income based on the average earnings/income for 1.5 months. The 21 stall owners are also entitled to livelihood restoration and transition support equivalent to the value of the poverty line (240,000 kip per AP per household) for the construction period (1.5 months). The 12 AHs growing vegetables on land they use but do not own at the two WWTP sites will be compensated at the value of loss of one season of crop based on the average reported annual income (two seasons of crop). In addition, at the southern WWTP site an area of 0.32 ha used for rice cultivation will be lost and is compensated based on the market value for rice pro-rated at yield (kg) per ha.

21. **IR impacts of Mekong River embankment subproject.** There will be no land acquisition for this subproject. The land required for the subproject is located on the slope of the bank Mekong River and includes the footpath constructed as part of the ROW of the road running along the river. The subproject will effectively result in a net gain of land where the platform is built out over the Mekong River.

22. This subproject will create livelihood impacts on a total of 34 AHs being impacts on some 22 of the evening restaurants with the removal of the stalls during the period of works (1.5 months) and removal of riverbank gardens belonging to 12 AHs as shown in Table 4.

Table 4 – IR Impacts of Mekong River Embankment Subproject

IR Impact	No. of AHs
Removal of restaurant/stall: tent	14
Removal of restaurant/stall: permanent structure	8
Loss of riverbank gardens (corn)	12
Total AHs	34

23. The works will require the stalls (evening restaurants and bars) of 22 AHs to be removed for the period of construction. Some 14 of these stalls are tables and chairs with umbrellas (tent stalls) that are placed along the boardwalk each evening and stacked away during the day, the works will also require the removal of eight more solid structures (constructed from wood and corrugated iron) totaling an area of 138 m². Both the temporary/tent stalls and the more permanent structures can be rebuilt after completion of the works.

24. The businesses operate 7 days per week and will be compensated for loss of income based on the average earnings/income for 1.5 months (period of disruption). The eight owners of the permanent structures are entitled to relocation allowance (for removal of the structure and effects) and livelihood restoration and transition support equivalent to the value of the poverty line (240,000 kip per AP per household) for the construction period (1.5 months).

25. The slope protection works will require the removal of riverbank gardens used for growing corn in the dry season when the river levels are low and areas of the bank are exposed. These are “opportunity” gardens and while they are not authorized uses they are permitted on an informal basis. The gardens belonging to 12 AHs will be removed. The 12 AHs growing corn on riverbank gardens will be compensated at the value of loss of one season of crop based on the higher of the reported seasonal income (the IOL recorded income of between 250,000 kip and 600,000 kip for the sale of corn). The AHs will be given notice to clear the area and will be encouraged to harvest the corn before civil works commence.

26. **Institutional responsibilities.** The EA will establish a Project Coordination Unit (PCU) to serve as focal point for coordination of project activities at national level and ensure communication of project progress with the ADB and other partners. Project Implementation Teams (PIT) will be created to coordinate the implementation of project activities in the participating corridor towns. The IA will establish the project management unit (PMU) within the Savannakhet province and the project implementation unit (PIU) in Kaysone Phomihane respectively to assist with the implementation, coordination and management of the subprojects. The overall Project will be guided by support and advice from a Project Steering Committee. A Project Management Support (PMS) Consultant will be engaged under the Project to support and assist the PIU and PMU and will include safeguards specialists.

27. The IA/PMU, together with the PIT, and with assistance from PMS consultant, will be responsible for facilitating consultations, and working with the Provincial Resettlement Committee (PRC) to update and finalize the RPs during Project implementation. The PIT will implement the updated and approved RP, and receive a “no objection” letter from ADB to this effect before requesting removal of assets.

28. **Grievance redress mechanism.** The grievance resolution mechanism proposed is based on the existing system for dispute resolution, and would require the complaint firstly being discussed by the complainant and village/ward leaders (including representatives of mass organizations) and should be resolved in between one and 3 days. The next level would be district level where the matter should be resolved in between three and five days.

29. If a satisfactory conclusion cannot be obtained through the village or district process, then the matter will be adjudicated by the PRC, and eventually to the MPWT (which could take up to one month). If the complainant is still not satisfied the matter/grievance will be directed to the provincial or national court.

30. **Monitoring.** The IA and PIU will monitor the progress of all aspects of land acquisition/RP implementation and report to the PMU which will then report to ADB. Monitoring indicators have been identified in RPs which will allow for monitoring of the delivery of entitlements to APs, the APs' satisfaction with consultation, timeliness of compensation payment, and restoration of livelihoods (ability of APs to restore livelihoods to at least pre-project levels). An independent monitoring organization (IMO) will be engaged to undertake external monitoring.

31. **Cost of the resettlement plan.** The cost of mitigating the IR impacts of the three subprojects including administration charges of 10% (cost of ongoing consultations, updating and implementing the RP etc) and contingency (10%) has been estimated as shown in Table 5.

Table 5 – Summary of IR Mitigation Costs

Town	Subproject	Cost estimate (US\$)
Kaysone Phomvihane	Urban roads (3)	241,483
	WWTP + drainage structures	1,257,766
	Mekong Riverbank embankment	18,288
	Subtotal KP	1,517,537

INTRODUCTION

1.1 Background to the Project

1.1.1 The Project Preparatory Technical Assistance

1. At the request of the Governments of Cambodia, Lao PDR and Vietnam, the Asian Development Bank (ADB) approved the Project Preparatory Technical Assistance (PPTA) to establish the basis for the proposed investment in priority urban infrastructure and capacity building measures for institutional strengthening in selected towns along two of the transport corridors in the Greater Mekong Sub-region (GMS).

2. For undertaking the PPTA, the ADB engaged the services of Norconsult AS (Norway) which is associated with CADTIS-Consultant Co. Ltd (Cambodia), Norconsult Laos Ltd (Lao PDR), Norconsult Management Services (Philippines), Inc. and Thang Long Infrastructure Development JSC (Viet Nam). On behalf of the Government of Lao PDR (the Government) the executing agency (EA) for the CTDTP is the Ministry of Public Works and Transport (MPWT) while the implementing agency (IA) is the Provincial Department of Public Works and Transport (PDPWT) in Savannakhet.

3. For each of the corridor towns, the major outputs of the PPTA involves: (i) the preparation of the strategic local economic development plans (SLEDP); (ii) developing an investment program for priority urban infrastructure which will include a Feasibility Study (FS) for the priority subprojects selected for each town; and, (iii) an institutional strengthening plan. These outputs will form an integral part of the Report and Recommendations of the President (RRP) and the Project Administration Manual (PAM).

4. The FS will cover a number of items and aspects, including social analysis/impact assessment (SIA) and assessment of safeguard issues. This resettlement plan (RP) is one of the documents prepared in compliance with ADB's Safeguard Policy Statement (SPS) and Decree 192 the Lao PDR law on resettlement and compensation.

1.1.2 Objectives and Outcomes of the Project

5. The Corridor Towns Development Project (CTDP) is designed to facilitate the transformation of transport corridors into economic corridors that would attract further investments in economic and environmental infrastructures to spur economic growth and sustained development. The expected impact of the CTDP will result in the corridor towns becoming the nucleus of economic activities, thereby contributing to the emergence of economic growth centers along the transport corridors in the GMS. The outcomes of the CTDP will lead to provision of adequate urban and infrastructure and essential services to facilitate growth and increase urbanization.

6. The concerted program to promote economic cooperation in the GMS was launched in 1992 through joint agreements among the participating countries with the sponsorship of the ADB. The physical attributes of the GMS are largely characterized by the combination of rich natural endowment and human resources with enormous potentials to contribute to regional economic growth. More than 300 million people reside in the GMS and are spread across diverse social and economic terrain but with common endeavors to improve their living standards. GMS is strategically situated in the heart of the South-East Asian continent and is considered a critical land bridge between the emerging and dynamic economies in the East and Southeast Asian countries. In the next decades, this anticipated urban growth in small towns and medium cities - in the existing and new growth corridors will create considerable demands for infrastructure and essential urban services.

7. The GMS countries envisioned that regional cooperation is essential to establish an economic link through improvements in infrastructure that would trigger increased trade and investments and spur economic growth. The cohesive efforts of the GMS countries and the committed support of the ADB and other financial institutions and donor agencies enhanced the establishment of regional markets, promoted cross-border movements of people, goods and services and more importantly developed a strong sense of collective action for a common economic purpose. Within a span of a decade, development investments were focused on putting in place priority transport infrastructure that forged the link between the GMS countries and stimulated the emergence of economic corridors along these key transport routes.

8. Together with the ADB, the participating national Governments recognized the need to build on the considerable benefits of increased trade and traffic flows along these transport routes. The favorable location of the corridor towns is viewed as a comparative advantage to further boost economic activity given the necessary enabling environment for strategic local economic development plan, investment programs and the strengthening of the institutional capacities at provincial and district levels. The next critical step in the GMS strategic focus demands the transformation of the transport corridors into full fledged economic corridors that would sustain the investment in essential infrastructure, and help contribute to poverty reduction in the GMS.

9. The primary objective of ADB's assistance to the GMS is the sustained increase in trade and transportation and the efficient movement of goods and services across common borders. In this regard, the transformation of transport corridors into economic growth nodes is considered essential in achieving levels of economic competitiveness of the GMS while advocating a strong sense of participation and involvement of a broad base stakeholder in the region. ADB's Regional Cooperation Strategy and Program (RSCP) is anchored on strategic thrusts towards strengthening connectivity and facilitating cross border movement, integrating national markets to promote economic efficiency and private sector development, institutional capacity strengthening as well as addressing critical social and environmental issues.

10. Lao People's Democratic Republic (Lao PDR) is a land-locked country bordering Thailand to the west, Viet Nam to the east, Peoples' Republic of China (PRC) to the north and Cambodia to the south, as shown on Figure 1.

11. In Lao PDR, the three corridor towns of Kaysone Phomvihane, Phine and Dansavanh are located in the province of Savannakhet. During the consultative meetings, district and local officials expressed their priority needs which included a range of subprojects such as the improvement and upgrading of the urban roads and drainage systems, water treatment and collection systems and improved sewerage, expansion of the water supply systems, solid waste management, riverside development for protection, and possible tourism facilities development including the establishment of a market trading and bus terminal.

Figure 1 – Lao PDR and Transport/Economic Corridors



1.2 Addressing Safeguard Impacts

1.2.1 Involuntary Resettlement

12. In respect of safeguards, the PPTA has carried out the environmental and social assessments for each town covering the package of subprojects being proposed (including involuntary resettlement (IR) and indigenous people [IP]¹) as appropriate in accordance with national laws and ADB policies and guidelines on the assessments.

13. During the preparation of the FS, field studies were completed which included a screening and scoping of IR impacts of the components of each of the four priority subprojects in Kaysone Phomvihane and the conclusions are that, there will be IR impacts created by three of the four priority subprojects. A Due Diligence report (DDR) has been prepared for the solid waste management subproject which does not create IR impacts.

14. The IR impacts have been identified and will be mitigated through preparation and implementation of resettlement plans (RPs). During the PPTA RPs have been prepared for the priority subprojects triggering IR impacts. This RP – prepared for the Kaysone Phomvihane

¹ ADB's safeguard policy refers to indigenous people which include ethnic minorities. In Lao PDR, all Lao people are considered indigenous and ethnic 'groups' is the preferred term. There are 49 ethnic groups divided into four ethno-linguistic family groups, within which there are sub-groups, and as per national law there is to be no distinction between Lao ethnic majority and minority groups.

subprojects - complies with ADB's Safeguard Policy Statement (SPS) Safeguard Requirement 2: Involuntary Resettlement and Lao PDR national law - Decree 192 - governing resettlement and compensation and its accompanying Technical Guidelines which were revised and updated in March 2010 (refer to Section 7 for detail).

1.2.2 Indigenous People

15. Lao law and ADB's SPS recognize that the identities and cultures of ethnic groups are inextricably linked to the lands on which they live and the natural resources on which they depend. These circumstances expose them to different types of risks and levels of impacts from development projects, including loss of identity, culture, and customary livelihoods, as well as exposure to disease. Therefore where development projects may affect ethnic groups, an assessment focusing on impacts on ethnic groups is required to demonstrate whether negative impacts will be experienced to a greater degree by ethnic groups, how such impacts can be mitigated, and what measures can be included in the project to ensure that ethnic groups receive benefits commensurate with, or greater than, any adverse impacts.

16. According to the Decision of the National Assembly No.213/NA, dated 24 November 2008, regarding the confirmation of terminology to be used in referring to ethnic groups and the official number of ethnic groups in Lao PDR, it was made clear that the Lao PDR is made up of one nationality – the Lao Nationality - with 49 ethnic groups classified into four linguistic family groups, as shown in Table 1.2.1.

Table 1.2.1 – Classification of Ethnic Groups and Linguistic Family Groups

Linguistic Family Group	No. of Ethnic Groups
Lao-Tai	8
Mon-Khmer	32
Hmong-Mien	2
Chinese-Tibetan	7
TOTAL	49

Source: Decision No.213/NA (November 2008)

17. The Decision prohibits continuation of use of three groups along broad ethnic lines of Lao Loum, Lao Theung and Lao Soung and refutes the classification of people into 68 ethnic groups by further prohibiting the splitting or division of small ethnic groups. For existing documents, poems and songs etc the use of the old terms is acceptable for historical accuracy only. For all future documents, statistics, forms of biography or any other report which needs to refer to ethnicity, the term to be used shall be ethnic group.

18. ADB's SPS requirement 3 defines indigenous people (IP) as a distinct, vulnerable, social and cultural group who: (i) self-identify as members of a distinct indigenous cultural group and the recognition of this identity by others; (ii) have collective attachment to geographically distinct habitats or ancestral territories; (iii) have customary, cultural, social or political institutions that are different from those of the dominant society and culture; and, (iv) have a distinct language, often different from the official language of the country or region.

19. The data provided during the IOL shows that the majority of AHs (97%) are from the Lao-Tai group (90% being Lao and 7% being Phoutai). There are AHs of other ethnic groups such as Vietnamese, Thai and recent Chinese immigrants along the urban roads, these families have migrated to the town and established businesses. There are a few AHs from other Lao ethnic groups (Katang 0.5% and Tri 0.5%) who have come from other areas in the province.

20. During the SIA meaningful consultation with non-Lao was undertaken through meetings and focus group discussions (FGDs) in the towns. The consultations have ascertained broad community support for the project and indicate the following:

- The people see themselves first and foremost as Lao, they hold Lao citizenship and communicate through Lao language in different facets of society such as marketing, business activities, political activities, and participation in village/district administration;
- They have inter-married with other ethnic groups including Vietnamese and live together in mixed communities for many years and therefore there is a high level of social/cultural homogeneity in the town;
- There are no special agencies or government offices established in the town to work with non-Lao people because the non-Lao do not exhibit differences which make them any more vulnerable or in need of special assistance than the Lao;
- Amongst the different ethnic groups there is high support for the subprojects that seek to improve, upgrade and rehabilitate urban infrastructure as key and important facilities for community access to services and employment opportunities; and
- There is also both the willingness and capacity to participate in design, implementation, and monitoring of the investments. People commented on the benefits and positive impacts anticipated to result from subprojects, and have stated there are no constraints on the ability of people to participate in project benefits as a result of ethnicity or culture.

21. The objective of the ADB's IP safeguard is "...to design and implement projects in a way that fosters full respect for IPs' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by IPs themselves so that they (i) receive culturally appropriate social and economic benefits, (ii) do not suffer adverse effects as a result of projects, and (iii) can participate actively in projects that affect them."

22. In addition, the CTDp will not involve any activities or investments that will:

- Provide for or allow commercial development of cultural resources or indigenous knowledge under the project;
- Provide for or allow commercial development of natural resources that would impact the livelihoods or cultural, ceremonial or spiritual use of land that would impact the identity or community;
- Provide for or allow restrictions in use of, or access to, protected areas and natural resources; or
- Require displacement from traditional or customary lands;

23. It is concluded from the consultations and social assessment undertaken that the policy is not triggered by the subprojects because they will not affect the dignity, human rights, livelihood systems, or culture of indigenous people.

24. The CTDp will not adversely impact on, and is designed in such a way that will respect, the identity, dignity, human rights, livelihood systems or culture of the non-Lao ethnic groups in the town. Any negative impacts on non-Lao will be the same as for Lao, and these will be mitigated through implementation of the GAP, EMP and RP. The beneficiary communities are supportive of the subproject, and can see clear and direct benefits for them. The assessment confirms the conclusion that the categorization of the CTDp is 'C' which does not require preparation of an IP plan.

1.3 Objectives of the Resettlement Plan

25. In respect of resettlement planning, the over-riding objective is to avoid IR wherever possible; to minimize IR impacts by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all APs² relative to pre-project levels; and to improve the standards of living of poor APs and other vulnerable groups.

26. The basic objectives of the RP are to: (i) serve as a binding document to ensure a fair and disclosed process for participation, identification and mitigation of IR impacts, and payment of compensation and assistance to APs; (ii) guide the EA in clearly identifying, compensating, and restoring the livelihoods of APs; and (iii) provide direction for the IA in updating/finalizing, implementing and monitoring the RP.

27. The RP identifies measures to ensure that APs are (i) informed about, and consulted on, the CTD and subprojects and agree in principle with the Project; (ii) informed about their options and rights pertaining to IR impacts; (iii) consulted on, offered choices among, and provided with suitable compensation and/or resettlement alternatives; and (iv) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the CTD.

28. The scope and contents of the RP include:

- Section 1 – introduces the need and rationale for the CTD, introduces the safeguards, and establishes the objectives of the RP;
- Section 2 – describes the subprojects and provides the engineering and technical details that have been used in the assessment of IR impacts;
- Section 3 – presents the socio-economic information and profile of APs derived from the census and IOL undertaken for each of the subprojects;
- Section 4 – provides the assessment of IR impacts and losses by type for each of the subprojects;
- Section 5 – describes the means and results of consultation and information disclosure undertaken during preparation of the RP;
- Section 6 – sets out the mechanism for resolving grievance and complaints about any aspect of the process;
- Section 7 – sets out the legal and policy framework for mitigating IR impacts and requirements for compensation and livelihood restoration;
- Section 8 – provides the entitlements, assistance and benefits to be provided under the CTD;
- Section 9 – establishes the costs estimate (budget) and financial plan;
- Section 10 – describes the institutional arrangements for the overall CTD and for resettlement plan preparation, finalization and implementation;
- Section 11 – provides the implementation schedule; and

² Displaced person is the term used in ADB safeguard policy and includes any person who is physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land or on access to legally designated parks and protected areas. It has the same meaning as affected person (AP) as defined in Decree 192.

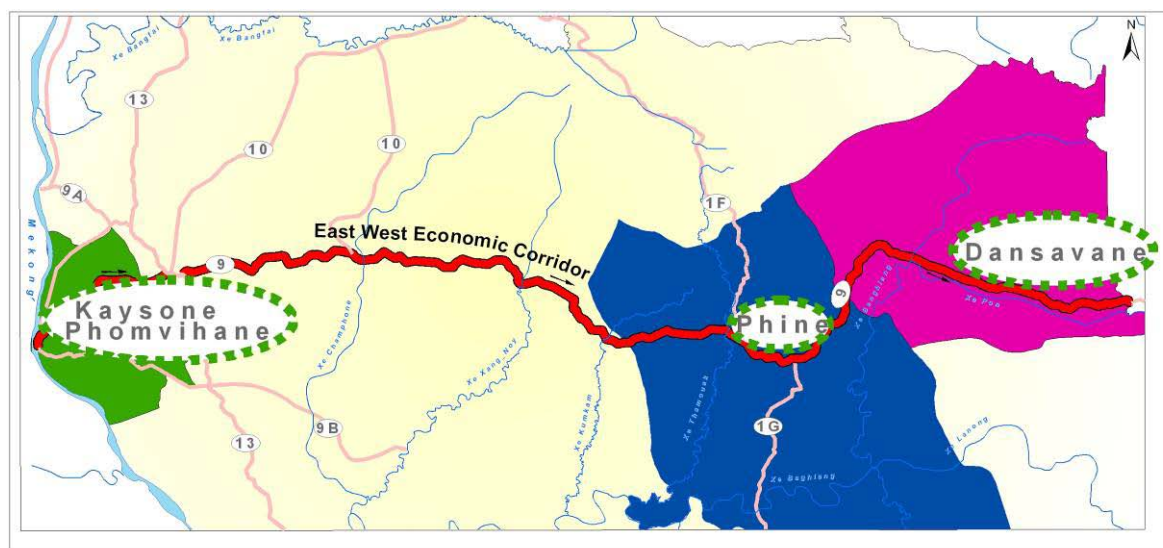
- Section 12 – describes the process for monitoring and evaluation, discusses the need for independent (third party) monitoring and sets out some initial indicators.

DESCRIPTION OF THE SUBPROJECTS

2.1 Context of the Subprojects

29. The location of Kaysone Phomvihane, in relation to the EWEC and Phine and Dansavan, is shown in Figure 2.

Figure 2 – Location of Kaysone Phomvihane along EWEC



30. The key challenges facing the local authorities of Kaysone Phomvihane arise from inadequate urban infrastructure and the limited capacity of the District local governments to plan and manage urban development services. Several interventions have been proposed to address these issues. Following the national inception workshops held in June 2011 and subsequent discussions and workshops with the EA and other stakeholders, the priority subprojects in Lao PDR were confirmed as shown in Table 2.1.1.

Table 2.1.1 – Priority Subprojects in Lao PDR

Town	Priority subprojects and components
Kaysone Phomvihane	Improvement of drainage structures and installation of wastewater treatment plant
	Improvement (widening) of three urban roads incl. provision of drainage
	Solid waste management and establishment of materials recovery facility
	Mekong River embankment protection
	Expansion of dry port logistics facilities
Phine	Installation of materials recovery facility
	Improvement of urban roads and drainage
	Improvement of public market facilities
Dansavanh	Urban bypass, roads with drainage structures and bridge
	Installation of materials recovery facility
	Establishment of dry port facility

Note: only highlighted rows are subprojects to be financed through ADF funding and subject to FS preparation and assessment in the PPTA.

2.2 Urban Roads Improvement

2.2.1 Existing Conditions and Rationale for the Subproject

31. The increased traffic volumes of people and goods and services as a result of improved transport connectivity along the Lao PDR-Viet Nam border has further stimulated the already growing economic activities in Kaysone Phomvihane, located along National Road 9 (NR9) in Savannakhet. With its role as provincial capital, central location, proximity to special trade zones (SENO-Savannakhet and Dansvan), the population of Kaysone Phomvihane is supposed to grow rapidly with arrivals of in-migrants from neighboring towns and provinces in Lao PDR in addition to natural growth.

32. The increasing population will eventually lead to expansion of the town center and the emergence of sub-urban areas, requiring upgrading of existing and provision of new infrastructure. In this regard the town authorities including the Urban Development Administration Authority (UDAA) have prepared a development plan that incorporates, amongst other things, essential urban road improvements to accommodate existing local traffic needs and transportation development activities associated with economic growth along the corridor. The plan is consistent with the development vision of Kaysone Phomvihane town to become an attractive and competitive economic center along the EWEK.

33. The subproject proposes to improve and upgrade three urban roads within the town center; Kaysone, Santiphap and Fa Ngum Roads.

34. Kaysone Road was constructed between 1996 and 1998 to a second highway standard design. It has a length of 6.7 km starting at the northern roundabout known as “Dinosaur Circle” and connects Phokadouath Road at its southern end. The road is paved with Double Bituminous Surfaces Treatment (DBST) and is 13m wide but is effectively only two-lane. The road is generally in good condition with some minor erosion at the edges and shoulders.

35. Drainage is irregular; in some sections it conforms to an open earth channel and in other sections it is a covered drain which also provides access to properties. The road is densely settled with larger numbers of residential and commercial premises and a large market - Samikxay Market – at the southern end. The sides of the road are used as parking areas for the many commercial enterprises, restaurants, beer gardens and shops and in many cases people have placed timber or filled over the drain/culvert with earth to provide access from the road to their property. As described fully in Section 4, there are numerous encroachments into the right-of-way (ROW) with awnings and shop/house expansions built out over the footpaths. The road becomes congested as a result of parked and through traffic conflicts.

36. Santiphap Road is 2.6 km in length and was constructed with DBST in 1994, it was upgraded with drainage improvements during 2002 – 2004 through ADB's Secondary Towns Project. The road starts at Kaysone Phomvihane District Offices and connects with NR 9 at its southern end. There is covered drainage, also utilized as the footpath, on one side of the road only.

37. On the other side of the road there are sections of open earth channel, and similar to Kaysone Road concrete slabs, wood or fill have been used to provide access to houses, restaurants and other businesses. The condition of the road is poor, there are numerous potholes and cracks, in addition to erosion at the shoulder. There are many cross-roads and the road is not uniform width and in places is too narrow to serve as a main road, it suffers similar problems to Kaysone Road with conflicts between parked and moving traffic.

38. Fa Ngum Road consists of two sections. Fa Ngum 1 is 2.2 km long and was built in 1995 of gravel wearing course (GWC) and was subsequently upgraded to DBST over the 2006 – 2008 period. The existing pavement is approximately 6 m in width and is provided with a

wide open earth drain and culverts on both sides. As discussed in section 4, small wooden bridges across the drains have been constructed to provide access to housing. The road is in poor condition with large potholes in many places. Fa Ngum 2 was constructed at the same time as Fa Ngum 1. This section of the road is less than a kilometer in length but is wider (approximately 12 m) than Fa Ngum 1 and had permanent sides drains (covered culverts) installed during the upgrading works. The road provides access to provincial government offices, which are well set back from the road with a wide grass verge (3-4m) between the drains and the fences. Fa Ngum Road is the link between Santiphap Road and Kaysone Road. The two sections of Fa Ngum Road are adjacent to a large empty unused lot which the provincial government is proposing to convert into a small park, and provide a one-way system around it.

2.2.2 Components of the Subproject

39. The roads do not adequately serve their function, traffic conflicts, ROW encroachments, inadequate markings, signage and safety measures (such as median barrier or strip) and poor cross-road connections make for unsafe movements along these main roads. A key objective of the subproject is to redress these deficiencies, to ensure both structural integrity of the roads and compliance with road safety requirements.

40. This subproject will involve widening and re-sealing (asphalt) Kaysone Road and Santhiphap Road providing four lanes, the improvement works also include upgrading of the roadside drainage structures, installation of a median divider, tree planting and street lighting system. The upgrading of Fa Ngum is to include provision of a one-way system with a uniform width of 10 m (widening required on Fa Ngum 1). Tree planting will be undertaken on both sides of the roads along with conversion of the empty lot into a park.

41. The total length of the upgrading works is 12.9 km, as shown in Table 2.2.1.

Table 2.2.1 – Length of Upgrading Works

Road	Length (km)	Proposed width (m)
Kaysone	6.7	25
Santhiphap	2.6	21
Fa Ngum 1	2.8	10
Fan Ngum 2	0.88	10
Total	12.9	

Source: Feasibility Study (October 2011)

42. The roads subject to works will be wide enough to accommodate an asphalt concrete sealed carriageway and footpaths/covered drains. Installation of the drainage system, culverts, street lighting and tree planting will be according to MPWT specifications (2006).

- Upgrade existing Kaysone Road to a total cross-section width of 25m to provide four traffic lanes sealed with asphalt concrete (1 x 3.5m and 1 x 3.8m on each side) plus a 1.5m wide shoulder to be used by motorbikes, installation of a 3.4m wide reinforced concrete island median for safety, footpath/covered drain on each side of the road (2m wide) which is sufficient width to re-install water supply pipes, telecommunication and electricity cables. Street furniture will be included, this will be located in the median island; traffic signage, installation of street lighting and tree and grass/shrub planting;
- Santiphap Road upgraded to a total cross-section width of 20.2 m and improved to a similar standard as described above providing four lanes without the shoulder extension for motorbikes and a narrower median island (1.2 m in width); and

- At chainage Km 0.68 on Fa Ngum Road-1, the system will become one-way around the proposed park area. The road will be upgraded to an asphalt concrete pavement and a 2 x 2m wide footpath will be provided.

43. For each road the inventory of losses (IOL) has been undertaken to accommodate the cross-sections and works described above. In the first instance a walk through with the chief of each village was made to discuss the works, identify the affected households (AHs) and scope the impacts on each of the AHs. This was followed by the IOL which was undertaken with the head of each AH after the extent of the works within the right-of-way (ROW) had been marked out. During the IOL and consultations held for Fa Ngum road, it became clear that the community did not want the works to affect the walls of the (temple) grounds of Wat Savang (the alignment as originally proposed would require removal of a 100 m long section of the wall). The alignment has been modified by retaining the existing road edge along the wat and widening on the opposite side. This will affect the eye clinic through removal of the iron fence and removal of a number of trees.

44. In 1999 World Bank supported a land titling program in Kaysone Phomvihane and other towns. Titles were issued to every household in the town urban area on the basis of land being utilized at that time and reflected the ROW requirements of MPWT.³ These titles were subsequently confirmed by both provincial and district government, and registered with the Land Department.⁴ In 2006 Kaysone Phomvihane PDPWT notified households along the main roads that the ROW was to be cleared of encroachments, the notices were not followed up and in most cases the encroachments within the ROW remained.

2.3 Wastewater Treatment and Drainage

2.3.1 Existing Conditions and Rationale for the Subproject

45. Flooding has been a perennial problem in the town, particularly during heavy rains. This is largely the result of inappropriate design of drainage structures in most parts of the town, poor maintenance of existing flood control and drainage structures, and the absence of a wastewater treatment plant. The existing flood gates that are intended to mitigate flooding from the inundation of the Mekong River are poorly designed and no longer functional; when the water level of the Mekong River rises during the heavy rains, flood waters back up and inundate the town center because they cannot drain to the Mekong River. Both the urban environment and water quality of the surface water flowing through open canals downward to natural streams has deteriorated; water quality has worsened due to inflow of domestic wastewater from expanding urban areas and industrial growth.

46. The north-western part of Kaysone Phomvihane urban area includes Santiphap, Soukhavady and Sisavangvong (north) Road areas (leading to the Bus Station and Savanxay Market), this is a densely populated urban area. The drainage system comprises an open trench, with incoming surface water from side drains discharging directly into the open trench and includes discharges from Savanxay Market which drain to the main trench along Visoukan Road and from Chomkeo Road area via Chomkeo Stream.

³ The ROWs established for the subproject roads are 25m each side of centreline for Kaysone (i.e. 50m in width) and 16m each side of centreline (i.e. 32 m in width) for Santiphap and Fa Ngum Roads. The land titling pegs (concrete markers) have been placed to clearly mark the ROWs.

⁴ The provincial Land Department was merged with the Department of Natural Resources and Environment at the end of 2011.

47. The north-eastern area comprises the drainage system of Houay Khilamang which has a catchment of about 5km². In the central area of the catchment are many factories, mechanical workshops, car washing services and other enterprises. The commercial area is rapidly developing without a regulated or properly managed water and sanitation system. The downstream section of the stream is about 1km and passes through a paddy area.

48. During the rainy season, the water level of the Mekong is about 6-7 m higher than normal dry season level and flood waters back up and inundate the low-lying areas (including the area of the proposed sedimentation ponds).

49. The southern area comprises the Houay Lonkong drainage system which includes an existing lined open canal – the main canal - between Sisavangvong (south) and Ratsavongseuk Roads, and crossing seven roads until reaching Phokadouath Road, a canal branching from eastern Houay Longkong and crossing Santiphap Road connecting to the main canal, and the third part of the system being the Houay Longkong stream itself. The sewage and wastewater generating within this system drain directly to the open canal and are released into Mekong without treatment.

50. The three drainage systems eventually discharge directly to the Mekong River. The systems are totally inadequate for the areas they serve and are resulting in stagnant waters and liquid and solid pollution accumulating in streams and natural water-courses. The result is increasing unsanitary conditions and threat of heightened seasonal pollution in selected areas, both of which are exacerbated by the growing urban population.

51. The existing sanitation system entails on-site disposal of human waste without introduction of a full water-borne sewerage and treatment facility providing safe disposal. Most households rely on flush or pour latrines some of which are connected to septic tanks and some of which are connected to a pit or chamber for containment of excreta. However, due to the low permeability of the soil and the high groundwater table, many soak-a-ways fail to operate effectively resulting in discharge of sewage into drainage channels or low lying areas. This results in overflows of polluted effluent, environmental degradation and public health hazards. Poor system coverage results in serious river and stream pollution, as well as soil contamination from open defecation which occurs in the slum areas of the town.

2.3.2 Components of the Subproject

52. As the town is expanding it is important of adequate planning for sanitation service and drainage and wastewater management. The construction of appropriate wastewater treatment plant (WWTP) and stabilization ponds in three locations are required to mitigate the deteriorating environmental conditions and health issues associated with poor sewerage and sanitation. The drainage and wastewater management will link with improvements being afforded by the storm-water drainage structures being proposed in the urban road improvement subproject. The subproject is designed to serve an estimated population of 35,400.

53. This urban environment infrastructure subproject will involve the construction of open and closed channel drainage structures along existing canals and natural streams, and the installation of appropriate WWTP at three sites to serve the central, southern and northern sectors of the town. The southern and northern WWTP plants require an area of 2.7 ha while the facility proposed for the central system will require an area of 500 m² as it only needs to accommodate septic tanks and a pond.

54. The northern and southern proposed plants consist of four treatment ponds, two aerated lagoons and two secondary sedimentation lagoons. Most biological oxidation processes for treating industrial wastewaters have in common the use of oxygen (or air) and microbial action. Surface-aerated basins achieve 65% removal of BOD₅ with a retention time

of one day and the design capacity of each treatment plant is 5,552 m³/day (0.0643 m³/second).

55. The basins may range in depth from 1.5 to 3.5 metres and use motor-driven aerators floating on the surface of the ponds. The last is a retention pond/stabilization pond thereafter the treated wastewater will release to the Mekong River.

56. The components of the subproject include;

- Package A – southern area (Lonkong system) – (i) improvement of about 2 km of existing lined open canal where damaged; (ii) lining of main sewerage pipes (2.5 km) following or parallel to the open storm drainage canal to the wastewater treatment plant and sewerage collecting pipes; (iii) WWTP with surface aerated basin equipped with electric motor with propeller and slinger-ring on vertical shaft and retention pond; (iv) improve the natural stabilisation pond; (v) construct new open canal (0.5 km) following Houay Longkong and protect with rip-rap; and (vi) construct and install water pumps housed equipped with 2-pump unit capacity not less than 0.5m³/s each;
- Package B – central area (Chomkeo system) – (i) construct drainage structures (pipes culverts, manholes, gutters and chambers etc.) along Visoukan and Phongnotha Roads and connecting drainage from area between Phongnotha and Visoukan Roads; and (ii) construct a WWTP at the outlet of Chomekeo Stream with septic tanks (requiring a land area of about 15m x 30m adjoining the stream outlet); and
- Package C – northern area (Kilamang system) – (i) installation of lined sewer pipes total approximately 700 m in length with diameters ranging from 400 mm to the wastewater treatment plant; and (ii) WWTP with surface aerated basin equipped with electric motor with propeller and slinger-ring on vertical shaft and retention pond.

2.4 Mekong River Embankment Protection

2.4.1 Existing Conditions and Rationale for the Subproject

57. The constructed embankment of the Mekong River in the eastern portion of the town center is a major aesthetic feature of the capital attracting local and foreign tourists to enjoy the setting sun at the backdrop of the meandering Mekong River. It has become known as a mini “night market” where numerous small food and drink stalls and restaurants have established to cater to the needs of visitors. It is also the viewing area for the annual boat racing festival and the major meeting place for teams competing in the rocket festival, as well as providing an open space along the river for many other cultural activities.

58. The existing embankment was constructed only in certain sections at a height of about 16m above the dry season water level. Results from the additional survey of cross-sections between stations Km 0+00 to Km 1+400m found the river bed to be at depths as shallow as 2m - 4m during the driest period of year.

59. In many of the sections without embankment protection, erosion is occurring while in other sections the embankment protection is damaged or ineffective. The riverbank slopes are gradually being damaged by erosion due to the strong river current and high volume flows during the peak rainy season. These natural causes are compounded by the embankment protection measures being insufficient to accommodate the structures being built along the top of the riverbank (and in some cases out over the river itself) and additional scour is resulting

from garden activities when the naturally erosion resistant grasses are burnt or cut to plant corn.

60. Anecdotal information from local people about the sand island in the middle of Mekong River is that it has changed over the period between 1975 and 1990 and has receded in both upstream and downstream directions and now encompasses a much smaller area. In the past people used the island for dry season gardens but as there is now a small area they have moved seasonal opportunity gardening to the certain sections of bank of the Mekong River.

61. The local authority has prepared a development plan that includes additional protection of the riverbank by expanding in width and increasing in length the existing riverbank slope protection measures and which also include management measures for parking and control of sanitary conditions associated with the stalls and restaurants. It is recognized by the Tourism Authority and local business sector that upgrading and improving this area of the Mekong River will not only protect the riverbank from further erosion it will enhance economic activity by providing additional area for small commercial establishments and sunset viewing platforms all of which has the potential to attract more visitors.

2.4.2 Components of the Subproject

62. This priority urban environmental infrastructure subproject aims to establish a stretch of the Mekong River that is protected from erosion and can facilitate local economic activities, trading, restaurants, traditional festivals and contribute to making Kaysone Phomvihane an attractive and competitive town along the EVEC. The specific objectives of the embankment protection subproject include: (i) to mitigate the effects of climate change by “climate proofing” and adding resilience to an extended riverside area of erosion protection; (ii) to establish a controlled service area for trading including stalls/shops, restaurants, parking area, an administrative building, public toilets with sanitation facilities and various recreation facilities; (iii) to improve the area and facilities used during boat race festivals and other local traditional events; and (iv) to contribute to the development vision of Kaysone Phomvihane which is to become an attractive town with increased trade, traffic and flows of people, goods and services.

63. The subproject will involve the construction of an expanded area of riverbank erosion protection extending from the existing bank out to 50 m over an 800 m long section starting immediately south of the spirit house to avoid any impacts on this important cultural structure. The master plan has identified an area of 2.6 km along the Mekong River that eventually requires erosion protection, the section to be financed under CTDP is the priority section. The components of this multi-purpose urban infrastructure subproject includes:

- Civil works for the construction of a piled platform over the river for a length of 800 m and width of 50 m;
- Embankment and riverside protection for the slope underneath the platform;
- Civil works for the construction of concrete/asphalt pavements and drainage structures;
- Construction of an administration building, comfort rooms/toilets (with appropriate sanitation) and other facilities required to improve the sanitary conditions of the night market area; and
- Installation of water and power supply.

III. SOCIO-ECONOMIC INFORMATION AND PROFILE

3.1 Subproject Impact Areas and Affected Households

Urban Roads Improvement Subproject

64. In total the subproject will create impacts in nine villages in Kaysone Phomvihane town, the total number of AHs is 213. The total number of AHs below includes two institutions located in Fa Ngum Road (a temple and an eye hospital), these two AHs are excluded from the subsequent description of the socio-economic characteristics of households.

Table 3.1.1 – AHs by Road Section and Village

Village	No. of AHs by road section			Total no. of AHs
	Fa Ngum Road	Kaysone Road	Santhipap Road	
Dongdamduan	0	51	0	51
Latsavongxai	0	0	7	7
Lattanalangsy	0	0	20	20
Nalao	17	0	29	46
Nonsavad	0	31	0	31
Phonsavang Neua	0	10	0	10
Phonsavang Tai	10	5	3	18
Sanamxai	0	5	0	5
Xayamounkhoun	0	0	25	25
Total	27	102	84	213

Source: Kaysone Phomvihane Inventory of Losses (October 2011)

65. Excluding the institutions, the road upgrading subproject will directly affect 211 households (AHs) of which some 47 are headed by women. In total there 1,073 affected persons (APs) including 512 males and 561 females. By road section Kaysone Road includes 102 AHs (20 headed by women) and 513 APs, Santhipap Road includes 84 AHs (23 headed by women) and 447 APs while Fa Ngum Road (both sections) includes 25 AHs (of which four are headed by women) and 113 APs.

Wastewater Treatment and Drainage Subproject

66. The subproject, although affecting a relatively small number of AHs traverses three villages as shown in Table 3.1.2.

Table 3.1.2 – AHs by System Location and Village

Village	Location of system	Sex of HH Head		Total no. of AHs
		Female	Male	
Houameuang	Northern	0	10	10
Phonxai	Central	1	19	20
Saphantai	Southern	0	9	9
Total		1	38	39

Source: Kaysone Phomvihane Inventory of Losses (January 2012)

67. The subproject will affect 39 households, three of the AHs are headed by women. The total number of APs is 161 (78 males and 83 females).

Mekong River Embankment

68. The Mekong River embankment subproject is located in the village of Xaiyaphoum, the subproject will create IR impacts for 35 AHs, one of which is headed by a woman. The number of APs is 211 (92 males and 119 females).

Summary

69. In total the three subprojects will affect 288 households (of which there are 51 headed by women) and 1,445 people (682 males and 763 females) as shown in Table 3.1.3.

Table 3.1.3 – Affected Households and Persons by Subproject

Subproject	Affected households			Affected people		
	Total no. of AHs	Female headed AHs	Male headed AHs	Total no. of male APs	Total no. of female APs	Total no. of APs
Mekong River	35	1	34	92	119	211
Urban roads	211	47	164	512	561	1073
Wastewater	43	3	40	78	83	161
Total	289	51	238	682	763	1445

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

3.2 Socio-Economic Profile of Affected Households

70. The following description of the characteristics of the AHs (excluding the two institutions in the urban road improvement subproject) is based on the information provided during the census and socio-economic survey undertaken during the IOL. Information has been presented at subproject level, with some data being dis-aggregated on the basis of gender of head of household, or vulnerability or poverty level, where those factors are relevant.

3.2.1 Size and Composition of Households

71. Overall 18% of the AHs are headed by women; 9% for Mekong River embankment, 22% for the urban roads and 3% for the wastewater treatment subprojects. The average size of AHs is 5.1 people, with the smallest households being one –person households (only along Kaysone Road and accounting for 2% of those AHs) and the largest consisting of sixteen people. As shown in Table 3.2.1, 10% of AHs are one or two-person households, and a third of AHs are made up of three or four people, and more than a third (37%) have either five or six people. Large households of seven or more people – account for 19% of AHs, with households of ten or more people accounting for 5%.

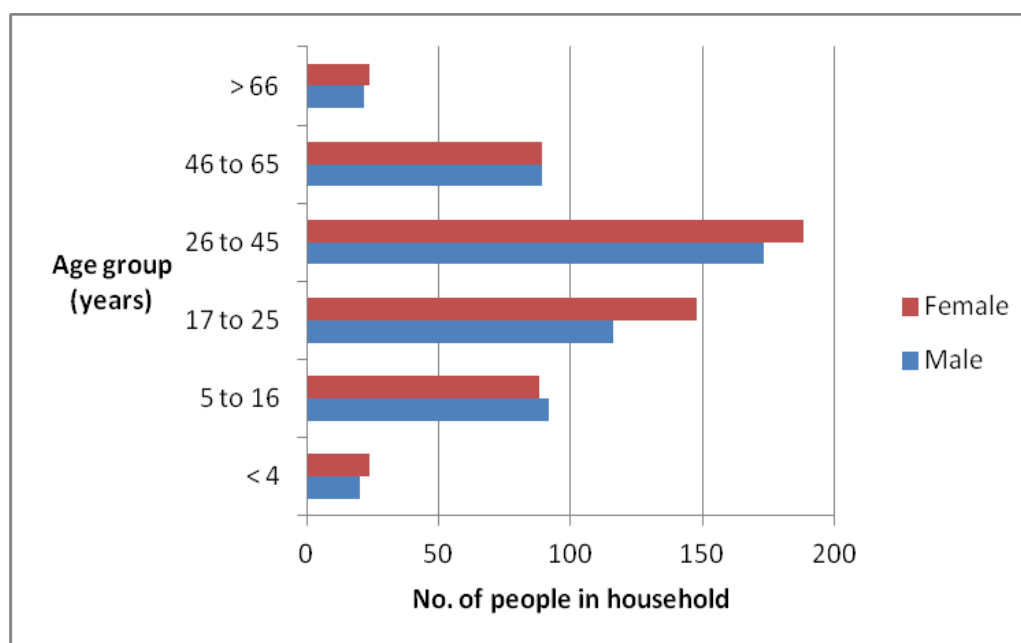
72. A larger proportion of AHs headed by women comprise one or two people (12% compared 8%), and 60% of households headed by men compared with 51% of households headed by women are made up of between three and five people. Some 10% of female headed AHs compared with 8% of male headed AHs comprise more than nine people. and a larger proportion of female AHs (13%) compared with male headed AHs (8%) are either single person households or two person households.

Table 3.2.1 – Household Size

Subproject	No. of people in AH									
	1 to 2	3	4	5	6	7	8	9	10	11+
Mekong River	11.8	8.8	29.4	29.4	8.8	0.0	2.9	2.9	2.9	2.9
Urban roads	10.0	11.4	22.7	22.3	13.7	6.6	5.7	2.8	2.4	2.4
Wastewater	5.1	10.3	20.5	30.8	12.8	2.6	5.1	7.7	0.0	5.1
Total	9.5	10.9	23.2	24.3	13.0	5.3	5.3	3.5	2.1	2.8

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

73. The overall age distribution of people that make up the AHs is shown in Graph 3.2.1. Some 4% of APs are in the four years old or younger cohort and another 4% are in the 66 years or older cohort. Three-quarters of all APs are aged between 17 years and 65 years. The single largest age cohort is the 26 to 45 year group accounting for 34% of all APs. Graph 1 also shows that in only one age group is there larger number of males than females (5 to 16 years) which includes 16% of all females and 18% of all males.

Graph 1 – Age Distribution by Sex

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

74. The majority of AHs (97%) are from the Lao-Tai group (90% being Lao and 7% being Phoutai). There are AHs of other ethnic groups such as Vietnamese, Thai and recent Chinese immigrants along the urban roads, these families have migrated to the town and established businesses. There are a few AHs from other Lao ethnic groups (Katang 0.5% and Tri 0.5%) who have come from other areas in the province.

Table 3.2.2 – Ethnicity of Affected Households

Subproject	AH by Ethnic group (%)			
	Lao	Phoutai	Katang/Tri	Other
Mekong River	97.1	2.9	0.0	0.0
Urban roads	87.7	7.6	1.0	3.8
Wastewater	94.9	5.1	0.0	0.0
Total	89.8	6.7	0.8	2.8

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

75. All heads of household stated they speak Lao as their main language and they have fluency in Lao. All heads of household and their spouses are literate in Lao.

76. As noted in Section 2, Kaysone Phomvihane was one of the towns participating in the land titling program undertaken in the late 1990s. All AHs have title to the residential land they are living on and to the commercial land they use.

77. Most of the AHs live in houses with a corrugated iron/cement fiber roof and the remaining households live in houses with a concrete roof. For most of the AHs (87%) their house also concrete and brick, and 11% of AHs live in house with walls constructed from wood (9%) or wood and brick (3%). A small proportion of AHs (1%) live in houses with simple materials for the walls (such as bamboo or thatch).

Table 3.2.3 – Construction Materials of House

Subproject	Walls (%)				Roof (%)	
	Simple	Wood	Wood/brick	Concrete/brick	Corrugated iron/cement fibre	Concrete
Mekong River	0.0	17.6	0.0	82.4	100.0	0.0
Urban roads	0.9	8.1	2.8	88.2	98.5	1.4
Wastewater	0.0	7.7	5.1	87.2	100.0	0.0
Total	0.7	9.1	2.8	87.3	98.9	1.1

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

78. A larger proportion of AHs headed by men live in a better standard of house i.e brick and/or concrete walls and floor (90%) and cement fiber roof (76%) than AHs headed by women (82% and 70% respectively). A larger proportion of households headed by women live in houses constructed from wood (13% compared with 7%).

3.2.2 Age, Marital Status and Education of Head of Household

79. As shown in Table 3.2.4, more than three-quarters (78%) of AHs are headed by a person aged between 31 and 60 years old (with half in the 46 to 60 year age group). A small proportion of heads of AHs are either 30 years or younger (1%) or elderly (76 years or older) accounting for 6%. The Mekong River subproject has the largest proportion of households heads aged 46 to 60 years (65%) and the wastewater treatment subproject includes the largest proportion of elderly household heads (10%).

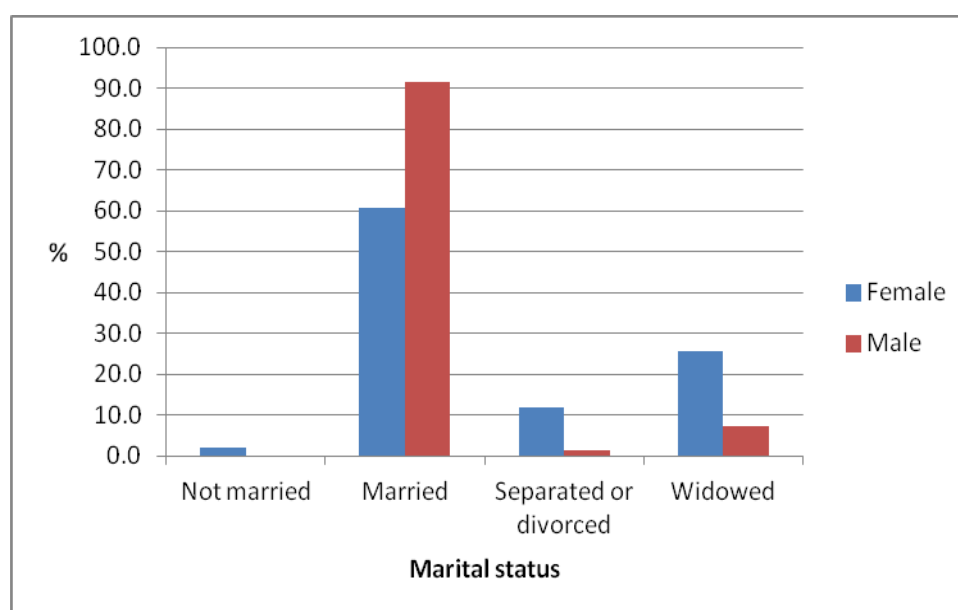
Table 3.2.4 – Age of Head of Affected Households

Subproject	Age group in years (%)				
	20 to 30	31 to 45	46 to 60	61 to 75	76 and older
Mekong River	0.0	32.4	64.7	2.9	0.0
Urban roads	0.9	27.5	48.3	17.1	6.2
Wastewater	2.6	23.1	46.2	17.9	10.3
Total	1.1	27.5	50.0	15.5	6.0

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

80. Disaggregating by sex of household head, only male heads of household are aged between 20 and 30 years and there is a larger proportion of male household heads aged 46 to 60 years (52% compared with 43% of female heads of household. There is a larger proportion of elderly (76 years or older) female heads of household (10%) compared with 5% of male heads of household.

81. Most AHs (86%) are headed by a married couple, while the remaining proportion of AHs is headed by a single person by virtue of being unmarried (0.4%), separated or divorced (3%) or widowed (11%). A significantly larger proportion (40%) of female AH heads compared with only 9% of male AH heads are single (Graph 2). The largest proportion of single female household heads are widowed (26%) compared with 7% of male heads of household, while 12% compared with 1% are separated or divorced. Only female heads of household are unmarried (2%).

Graph 2 – Marital Status of Head of Household by Sex

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

82. As would be expected in a large town and provincial capital, the levels of education of household heads are higher than those in Dansavan and Phine. Heads of AHs are well-educated with a small proportion of AH heads without education (6%), nearly half (48%) having completed a secondary education, and 5% having attained a tertiary level education. Some

14% have only a primary education (2% with some primary and 12% with a complete primary education).

83. Table 3.2.5 shows significant differences in education levels of female and male heads of AHs; 26% of females compared with 1% of males do not have a formal education, three-quarters of males compared with 64% of females have at least some secondary education with more than half (51%) of males compared with a third of females completing secondary school. Similar proportions of males (6%) and females (4%) have received a tertiary education.

Table 3.2.5 – Highest Level of Education

Sex of household head	Education level of head (%)					
	None	Some primary	Complete primary	Some secondary	Complete secondary	Tertiary
Female	25.5	2.0	3.9	31.4	33.3	3.9
Male	1.3	2.1	14.2	26.2	50.6	5.6
Total	5.6	2.1	12.3	27.1	47.5	5.3

Source: Kaysone Phommvihane Inventory of Losses (October 2011/January 2012)

84. In terms of the education of the spouse of the household head, there are similar proportions of males and females without education (18%) or having some primary education (1%), some secondary education (a third) and some tertiary education (2%). The most significant differences are in completion rates of primary school (26% of females and 12% of males) of secondary school (20% of females and a third of males).

3.2.3 Livelihoods, Poverty and Vulnerability

Livelihoods and Income Sources

85. Livelihoods are the activities, means, entitlements and assets by which people sustain their households and make a living, and they should be understood as systems, considering all of the components, as well as the relationship between, and priorities of, those components. Livelihood systems are essentially needs based and comprise production and enterprise activities integrated in such a way as to respond to the food security and cash income requirements of households.

86. The AHs receive multiple sources of income; a large proportion of AHs receive non-wage income (87%) including remittances and pensions, wages and salary (28%), income from daily or casual labor (10%), and some households also receive and some AHs (1%) receive income from sales of agricultural goods and products.

87. In terms of the relative importance of the income, more than half (52%) of AHs stated that the income from selling small goods, trade or small household business was the primary or most important source of income followed by wages from government/public service (27%) while the primary household income for 9% of AHs came from either the private sector or tourism or hospitality sector (9%). Only a small proportion of households stated that casual or daily labor (1%) or “other” (2%) – including riverbank gardening - was the primary source of income for the household (Table 3.2.6).

Table 3.2.6 – Main Income Source for Affected Households

Subproject	Primary source of Income (%)					
	Government	Private sector	Trade, sales, small business	Tourism, hospitality	Daily labour	Other
Mekong River	26.5	2.9	58.8	8.8	0.0	2.9
Urban roads	26.2	11.9	49.0	9.0	1.4	2.4
Wastewater	30.8	0.0	59.0	10.3	0.0	0.0
Total	26.9	9.2	51.6	9.2	1.1	2.1

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

88. Secondary incomes are derived from trade or small business in 58% of households, followed by income from tourism and hospitality sector (14%) and private sector (9%), while construction is registered as the second most important source of income for 5% of households. Income from agriculture was only recorded for households living in the urban roads subproject being classified as the second most important income source for 5% of AHs.

89. A larger proportion of AHs headed by women (53%) compared with those headed by men (47%) earn primary income from trade or small business and private sector (14% compared with 8%). AHs headed by men earn primary income from government employment (27% compared with 24%) and tourism and hospitality/services sector (10% compared with 7%) and only households headed by men earn primary income from construction, agriculture and casual labor.

Income Levels and Poverty

90. Household income has been obtained by collecting data about (i) wages/salary earned from different sectors (public/private sector employ, construction, tourism); (ii) sales from agricultural produce and other goods produced by the household; and (iii) non-wage income such as remittances or pensions. The total household income has been based on sources of income stated during the IOL, it does not factor in any imputed values for additional production or production that is also consumed by the household, and therefore represents cash income only. The average household income (all sources) was 8.018 million kip per month and average per capita monthly income was 2.48 million kip. The total household income from all sources was divided into groups with equal numbers of AHs in each group, as shown in Table 3.2.7.

Table 3.2.7 – Monthly Per Capita Income Quartiles

Income quartile	Monthly per capita income (kip)		
	Minimum	Maximum	Average
1st	92, 433	376,250	249,697
2nd	376,251	773,999	411,938
3rd	774,000	1,612,499	909,276
4th	1,612,500	18,666,000	4,751,202

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

91. The 1st quartile includes those households falling below the poverty line, established based on data from the Fourth Lao Expenditure and Consumption Survey as 240,000 kip per person per month for urban households. The average income for the households that fall

below the poverty line is 170,671 kip per month while for all the households in this quartile is marginally above the poverty line (249,697 kip per month). The 2nd quartile, while above the poverty line, is still low income and indicates “marginal” households and those most vulnerable to economic shocks which could make them fall below the poverty line. The 3rd and 4th quartiles is the higher income groups and are considered the better off or relatively/comparatively wealthy, there is, however a very large range within the 4th quartile.

92. The distribution of households across the income groups (Table 3.2.8) shows that a quarter of AHs fall in 1st income quartile and 18% are in the low income group (2nd quartile). A slightly larger proportion of AHs headed by men (25%) compared with 23% of the AHs headed by women and 44% of AHs affected by Mekong River embankment subproject are in the 1st income quartile. A third of AHs headed by women and 28% of AHs headed by men are in the highest income group. Based on subproject, the largest proportion of highest income AHs is the urban roads (37%), there are no highest income households in the Mekong River subproject.

Table 3.2.8 – Distribution of AHs across Quartiles

Sex of AH head and subproject	Income group (%)			
	1st	2nd	3rd	4th
Female	23.5	15.7	27.5	33.3
Male	25.3	18.0	29.2	27.5
Mekong River	44.1	23.5	32.4	0.0
Urban roads	22.3	14.2	27.0	36.5
Wastewater	23.1	30.8	35.9	10.3
Total	25.0	17.6	28.9	28.5

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

93. In respect of the households falling below the poverty line, 12% overall are poor; the same proportion of male and female headed households and AHs affected by the urban roads improvement subproject (12%) fall below the poverty line while the Mekong River embankment subproject has the largest proportion of poor households (18%) and the wastewater treatment subproject the smallest proportion (5%).

Vulnerability

94. Vulnerable households, as defined by Decree 192, include those who might suffer disproportionately from the loss of fixed and movable assets, other assets and production base, or face the risk of being marginalized from the effects of resettlement, and specifically include:

- Households with persons falling under the generally accepted indicator for poverty as defined by the Ministry of Labor and Social Welfare (already discussed above), or the landless;
- Divorced or widowed female headed households with dependents and low income;
- Households with disabled or invalid persons; and
- Elderly households with no means of support.

95. As discussed above some 12% or 32 of the AHs fall below the official poverty line.

96. Excluding those already included in the “poor”; (i) of the single female headed households there are eight in the 2nd income group (low income) and who have dependants; (ii) there are four household heads who are elderly and have little labor or means of support.; and (iii) four AHs recorded having members with a disability or long-term illness (including two females and four males).

97. In total there are 48 households (17%) that are considered vulnerable by virtue of the foregoing definition. Table 3.2.9 shows the number of households falling into each classification of vulnerability.

Table 3.2.9 – Vulnerability of Households

Category of vulnerability	Urban roads	WWTP	Mekong River	Total
Households falling below poverty line	25	1	6	32
Widowed/divorced, low income female headed HH	8	0	0	8
Households with disabled members	4	0	0	4
Elderly with no means of support	2	2	0	4
Total	39	3	6	48

Source: Kaysone Phomvihane Inventory of Losses (October 2011/January 2012)

3.3 Gender Issues

3.3.1 Gender Issues and Disaggregation of IOL Data

98. The assessment of gender-specific resettlement issues and gender mainstreaming strategy adopted for the Project is based on Lao law and is consistent with the Country Gender Strategy, requiring gender equitable participation and opportunity. Gender issues must be considered in the various stages of the project cycle, Decree 192 specifically addresses gender issues in resettlement in Article 15 where it states that “Collecting gender disaggregated data is the first and most crucial step for ensuring that the needs and concerns of women are addressed in the resettlement plan.”

99. Gender is a significant imprint on the resettlement process. Women's relative low levels of education, access to information, additional work burdens, and limited public representation all combine to result in women suffering disproportionately, compared with men, during resettlement. Therefore it is important to identify and take into account the different needs of women and men.

100. In order to deal with the practical impacts of local gender norms and roles, resettlement planning needs to provide for basic needs for women in addition to those of men.

101. The household survey required for the PSAs and census and IOL data has been disaggregated by gender for both head of household and household members.⁵ Discussions and interviews with APs also include gender dimensions in respect of socio-economic status and household characteristics. The results of the consultations have been used as supplementary material in interpreting the results from the census and IOL.

102. The IOL and assets survey has been conducted on the principle of equality in land rights. Household and farming assets, in general, belong to both the female and the male

⁵ The analysis presented in subproject PSAs also disaggregates the data by poor and non-poor.

heads of household. However, in some cases only one spouse owns the land, or in female headed households, the ownership can be in the name of the oldest male. In respect of providing new title to land, if the lost land was originally in the name of the man only, he will be encouraged to share the title of the new land with his wife.

103. The assessment of the IOL socio-economic data indicates that based on a range of economic characteristics, including poverty, in general female headed households are worse-off than male headed households with a larger proportion of female, than male, headed households falling below the poverty line; having limited labor; having fewer income sources and a heavy reliance on non-wage income sources; and larger proportions of households being headed by widowed or single women than widowed or single men. Further, in respect of social characteristics there are clear gender disparities in terms of attainment of education, with larger proportions of males being educated to higher levels than females.

104. It is clear that women can be made vulnerable as a result of the land acquisition and resettlement process, with a number of factors that increase the vulnerability of women during resettlement. The following issues have been identified for the Project and are relevant to the households impacted by land acquisition and resettlement in the subproject areas (Table 3.3.1)

3.3.2 Gender Awareness in Training Delivery

105. Gender sensitive approaches require people with appropriate training, awareness of, and capacity to, mainstream gender issues into daily activities can be limited. Gender training and awareness raising will be conducted during Project implementation to assist the resettlement process for the Project, and various organizations engaged to implement the RPs and GAP.

106. Providing this training and awareness raising early at the commencement of project implementation will ensure that implementers are better able to identify and address the different needs of women and men in the resettlement and livelihood restoration and development process.

3.3.3 Gender Sensitive Monitoring

107. Monitoring systems and methods have been designed to ensure that gender specific concerns are being addressed, and gender-specific indicators are integrated into monitoring programs. A monitoring strategy and plan is included in each RP and the Project's GAP.

Table 3.3.1 – Summary of Gender Specific Resettlement Issues

Gender Issues Identified	Relevance to Affected Households
<p>Lack of land ownership and property rights denies women equal access to compensation. Compensation, resettlement, and rehabilitation are often based on legal ownership of land and property. Women may not have legal rights to land and property, even though they may have enjoyed usufructory rights or been dependent on them. Hence, they are not eligible for compensation and other benefits that may be available.</p>	<p>The entitlement matrix ensures that all people losing land and resources are eligible for compensation, regardless of gender or whether they have legal title to land they are using or not. Socio-economic data on AHs and APs has been dis-aggregated by gender to discern the differences between households headed by women and men, and women and men in general, in order to identify specific measures for vulnerable groups of women. A larger proportion of female headed AHs than male headed AHs fall below the poverty line, and vulnerable single female AH heads with dependents have been identified.</p>
<p>Restoration of livelihoods and income is equally important to women and men. Women are largely engaged in the informal sector— working in the fields, small shops, street vending, market trading or selling produce. Women's economic activities are an important source of income for households. Dislocation can result in loss of livelihood, if these livelihoods are not recognised this will add to women's economic hardships.</p>	<p>For households headed by women, trade, operation of small businesses and shops is a primary source of income for 53% of female headed AHs while 43% of female headed households relying on income from regular sources such as wages from government employment (28%) or from the private sector (15%)</p>
<p>Low levels of training and education among women limit the choice of alternatives. Rehabilitation packages may include compensation opportunities for alternative occupations. Choices for exploring alternatives and livelihood options for women are limited because of their low levels of skills and education. Planning for occupational and livelihood options for women is crucial.</p>	<p>The resettlement census indicates higher education levels for male heads of AHs than female heads of AHs. A quarter of female heads of household have no formal education, and 19% of the spouses of male heads of household have no education.</p>
<p>Involuntary relocation could increase the burden on women. Generally, women are responsible for livelihood activities for the household as well as cash generating activities, the survey undertaken for the poverty and social assessment indicates larger numbers of women being engaged for more hours per day in non-paid work. This can have direct impact on women, unless this is addressed in resettlement planning and execution, it could result in women spending more time and resources providing for these basic needs.</p>	<p>Residential land is not affected. Land used for commercial purposes (encroachments into ROW) is affected, some AHs can re-establish in same location after subproject completion but others will need to relocate if they want to continue to operate a stall or kiosk.</p>
<p>Social impact of dislocation tends to affect women more than men. Breakdown of community and other social networks as a direct result of dislocation can affect women more than men because women rely and depend on community and other social networks for emotional and practical support, such as taking care of children. Dislocation can be traumatic if these networks break down.</p>	<p>Relocation or physical displacement will be created for those households that cannot re-establish their stall/kiosk (i.e. insufficient land between road and house). In general, households considered they were satisfied with being given adequate support so they could find their own alternative land (and self-relocate) or area in the market if they wanted to replace the business (rather than receive cash compensation).</p>

IV. INVOLUNTARY RESETTLEMENT IMPACTS AND LOSSES

4.1 Urban Roads Improvement Subproject

4.1.1 Land: Impacts and Losses

108. As discussed in Section 2, land titles issued in the late 1990s and early 2000s reflected the ROW as declared by MPWT. In effect the declaration of the ROWs restricted the use of land falling within the ROW. The PDPWT has not enforced requirements to remove encroachments and obstructions from the ROW, even after notification was given in 2006 requesting households remove the encroachments.

109. The land to be affected by the works is residential land or residential/commercial land, as the land is within the ROW there is no land acquisition with the exception of one small area of land on Santiphap Road. This is at the location where the road curves and a large residential property is affected because land beyond the existing ROW is required. The land affected is 25 linear meters by 1.63 m i.e. 40.75 m².

4.1.2 Impacts on Other Assets

110. There are no houses or other substantial structures affected by the works.

111. The structures affected by the works include shops/kiosks (mostly noodle shops or small cafes) and walls and fences. The shops or kiosks are either (i) constructed from wood and corrugated iron and located immediately in front of the house or larger commercial establishment; (ii) temporary structures made from umbrellas and small tables; or (iii) small shops set up by constructing an awning out from the house, effectively expanding the roof of the house by suspending an awning made from aluminium sheet or corrugated iron on poles. In some cases these structures are open while in others they are enclosed on one or two sides by either plastic sheeting or corrugated iron, as shown in Plates 1- 4.

112. As shown in Table 4.1.1, the works will affect the structures belonging to 179 AHs, including 130 small shops or kiosks including awning/roof expansion structures (1,188 m²) that will require removal, and the walls (179 m) and fences (146 m) of 49 AHs are also affected (Table 4.2.1).

Table 4.1.1 – Structures Affected by Number and Type

Road section	No. AHs with structures affected	Type of structure affected	
		Shop or kiosk affected	Wall or fence affected
Kaysone	95	73	22
Santhipap	67	46	21
Fa Ngum	17	11	6
Total	179	130	49

Source: Kaysone Phomvihane IOL (October 2011)

113. Some 136 AHs will also be affected by removal of trees located in the property front yard and verges. A total of 234 trees requiring removal. The main types of trees to be affected include mango, banana, and pawpaw/papaya and decorative trees as shown in (Table 4.1.2).

Plate 1 – awning/roof expansion



Plate 2 – small noodle shop in front of house



Plate 3 – awning expansion and stalls



Plate 4 – stalls and expansions in front of building



Table 4.1.2 – Trees Affected

Road section	No. of AHs with trees affected	No. of trees affected	Tree by type (no.)				
			Mango	Pawpaw/papaya	Banana	Other fruit	Other (decorative)
Kaysone	65	114	20	27	22	29	36
Santhipap	54	93	10	11	16	14	22
Fa Ngum	17	27	2		5	3	17
Total	136	234	32	38	43	46	75

Source: Kaysone Phomvihane IOL (October 2011)

4.1.3 Livelihood Impacts and Losses

114. Electric poles are located every 50m along the roads, these will require relocating to beyond the ROW. The EA will need to discuss this with the utility provider to ensure that it is done with minimal disruption as possible. The utility provider may take the road widening and upgrading as an opportunity to underground some of the distribution lines.

115. The works will not affect any community property or resources.

116. There will be livelihood impacts created by the subproject works with the removal of the shops and kiosks. In a number of cases it will not be possible for the shop/kiosk to be re-erected as the widening and works will utilize the area currently being used for the shop/kiosk, where these AHs wish to re-establish the business they can relocate to the market or alternative location. These business owners are entitled to cash compensation for the structure, compensation for lost income and assistance in locating an alternative site provided by the local authority; the choice as to whether to re-establish will be made by the AH. Alternative plots could be made available at the local markets.

117. During the updating of the RP based on detailed design and detailed measurement survey (DMS), it will be determined whether it will be possible for the stall to re-establish or whether a suitable alternative location can be provided at the market.

118. Of the shops and other businesses affected, 85 stated they are registered. In addition to the owner, 142 people work in the shops/businesses. These employees are entitled to compensation for lost wages for 1.5 months (the expected maximum length of construction work in any one location and for business to be re-built either at the existing location or an alternative location). If the shop owner chooses not to re-establish the employee can seek alternative employment during the 1.5 months. The shop/stall owners are also entitled to livelihood restoration and transition support equivalent to the value of the poverty line (240,000 kip per AP per household) for the construction period (1.5 months).

119. During the IOL the shop-keepers and business operators were reluctant to provide details of income and earnings. Registered businesses are entitled to compensation based on net monthly income for 1.5 months, as no information was provided during the IOL, this has been estimated using the same method as for non-registered businesses i.e. compensation based on value of minimum wage for 1.5 months. During the DMS registered business owners will be encouraged to provide sufficient details of their income in order that appropriate compensation can be paid.

4.2 Wastewater Treatment and Drainage Subproject

120. As shown in Table 4.2.1, this subproject will affect a total of 43 AHs.

Table 4.2.1 – IR Impacts of WWTP and Sewerage Subproject

IR Impact	No. of AHs	Area affected
Permanent loss of agricultural land	2	5.4 ha
Permanent loss of residential land	5	0.5 ha
Permanent loss of stalls	5	70 m ²
Temporary loss of stalls/kiosks	16	Not applicable
Removal of outdoor kitchens and latrine	4	36 m ²
Loss of vegetable growing area/gardens	12	5.4 ha
Total AHs	43	

Source: Kaysone Phomvihane IOL (February 2012)

4.2.1 Land: Impacts and Losses

121. The land to be acquired for the subproject is a total of 5.9 ha. This includes agricultural land belonging to two AHs (2.7 ha each) for the northern and southern WWTPs and a 0.5 ha area of residential land belonging to five households (each losing 100 m²) for the septic tanks and pond for the central system.

122. The sites proposed for northern and southern sites belong to two large land-holdings, for the two households each losing 2.7 ha of land, this represents a loss of 30% and 34% of the landholding at these locations. These landowners are long established and wealthy families in the town and also own land in other locations. In this context the losses are not considered to be severe.

123. The sites are used by members of the owners' families for gardening and growing vegetables (mostly lettuce and herbs and in the dry season and rice in the wet season). There are six households of relatives using the land at each site (a total of 12 AHs using the land). These are informal arrangements agreed between the owners and their family members, there are no share croppers or people renting or leasing the land.

124. The works in the drains and channels will not require acquisition of additional land. The works will cause temporary disturbance to the people who have constructed small shops over the drains (discussed below) and to property access.

4.2.2 Impacts on Other Assets

125. There will be permanent impacts on five small wooden stalls, constructed over the open drain opposite the Savanxai Market, belonging to five households, the total area of stall affected is 70 m²). The impacts on 16 other stalls and kiosks constructed over the drains are temporary in that they will be removed during the works and replaced following completion of the works. These stalls are makeshift and include a table with an umbrella or shade blanket attached to poles and are often taken down each evening, they are easy to uplift and replace and are therefore not considered to be permanent effects.

126. All property access (currently either wooden planks or concrete pads) will be reinstated after the works have been completed. The access will be improved as part of the drainage works as existing wooden access will be replaced by concrete as part of the drain cover.

127. In an area adjacent to Kilimang Stream a small group of houses have constructed small buildings behind their houses on the bank of the stream. The ancillary houses structures (three outdoor kitchens and one latrine) belonging to four households will be removed by the works required along one of the existing channels for the northern system. The households have large residential holdings and according to the owners the ancillary buildings will be rebuilt at either the side or front of the houses, depending on their wishes at the time. Some 42 trees will also be removed including banana, coconut and bamboo.

4.2.3 Livelihood Impacts and Losses

128. There will be livelihood impacts created by the subproject works with the removal of the stalls and kiosks. None of the stalls affected are registered businesses and are effectively encroachments as they have been constructed over the open drains. The stalls operated by the owners themselves i.e. they do not employ additional people. The shops/businesses operate 6-7 days per week. The 21 stall owners will be compensated for loss of income based on the average earnings/income for 1.5 months (period of disruption) and livelihood restoration and transition support equivalent to the value of the poverty line (240,000 kip per AP per household) for the construction period (1.5 months). The owners of the five wooden stalls will also be compensated for the removal of the structures.

129. The 12 AHs (relatives of the owners) growing vegetables at the WWTP sites will be compensated at the value of loss of one season of crop based on the average reported annual income (two seasons of crop). In addition, at the southern WWTP site an area of 0.32 ha used for rice cultivation will be lost and is compensated based on the market value for rice pro-rated at yield (kg) per ha.

4.3 Mekong River Embankment Subproject

4.3.1 Land: Impacts and Losses

130. There will be no land acquisition required for this subproject. The land required for the subproject is located on the slope of the bank Mekong River and includes the footpath constructed as part of the ROW of Thahe Road running along the river.

131. The subproject will effectively result in a net gain of land where the platform is built out over the Mekong River.

4.3.2 Impacts on Other Assets

132. This subproject will create livelihood impacts on a total of 34 AHs, including impacts on evening restaurants/stalls belonging to 22 AHs who will need to remove the stalls during the period of works (1.5 months), and removal of riverbank gardens belonging to 12 AHs as shown in Table 4.3.1.

Table 4.3.1 – IR Impacts of Mekong River Embankment Subproject

IR Impact	No. of AHs
Removal of restaurant/stall: tent	14
Removal of restaurant/stall: permanent structure	8
Loss of riverbank gardens (corn)	12
Total AHs	34

Source: Kaysone Phomvihane IOL (February 2012)

133. The works will require the stalls (evening restaurants and bars) to be removed for the period of construction. Many of the stalls that operate along the riverbank are tables and chairs

with umbrellas (tent stalls) that are placed along the boardwalk each evening and stacked during the day, and this is the type of stall affected belonging to 14 of the AHs. The works will also require the removal of the more solid structures (constructed from wood and corrugated iron) totaling an area of 138 m² belonging to another eight AHs. These structures may be rebuilt after completion of the works.

134. The slope protection works will require the removal of riverbank gardens used for growing corn in the dry season when the river levels are low and areas of the bank are exposed. These are “opportunity” gardens and while they are not authorized uses they are permitted on an informal basis. The gardens belonging to 12 AHs will be removed. These AHs will be given advance notice to clear the area and therefore may harvest the corn prior to the commencement of the works.

135. The subproject will not require the removal of any trees.

4.3.3 Livelihood Impacts and Losses

136. This subproject will create livelihood impacts on the evening restaurants with the removal of the stalls during the period of works (1.5 months) and the loss of the riverbank gardens. The businesses operate 7 days per week and will be compensated for loss of income based on the average earnings/income for 1.5 months (period of disruption). The eight owners of the permanent structures are entitled to compensation for loss of income and removal of their structure, relocation allowance (for removal of the structure and effects) and livelihood restoration and transition support equivalent to the value of the poverty line (240,000 kip per AP per household) for the construction period (1.5 months).

137. The 12 AHs growing corn on riverbank gardens will be compensated at the value of loss of one season of crop based on the higher of the reported seasonal income (the IOL recorded income of between 250,000 kip and 600,000 kip for the sale of corn).

138. A small raft service is operated by one person (Lao-Vietnamese nationality), the service operates twice per week (Thursday and Sunday). During construction the place where the raft docks will need to be relocated upstream of the works so that the service is not disrupted. The service can resume from the evening market area following completion of the riverbank works.

V. CONSULTATION, PARTICIPATION AND DISCLOSURE

5.1 General

139. Consultation has been undertaken at various stages during the PPTA and will continue throughout the Project. These are summarized in Table 5.1.1.

Table 5.1.1 – Stages of Consultation in the Project

Project stage	Purpose	Tools/Process
Inception stage	<ul style="list-style-type: none"> Identify stakeholders; Identify key poverty reduction and social development options; Identify work required (plans for action/mitigation plans, frameworks, or other measures) 	<ul style="list-style-type: none"> Incorporation of feedback on initial project concepts; Stakeholder analysis and workshops, confirm who will be involved and how; Screening of issues
SLEDPs	<ul style="list-style-type: none"> Establish levels of participation of stakeholders in current planning; Prepare socio-economic profiles; Identify existing opportunities and constraints on urban development 	<ul style="list-style-type: none"> Key informant interviews; Focus group discussions; Data collection - participatory rapid appraisal (PRA) techniques; Participatory SWOT analysis
FS	<ul style="list-style-type: none"> Confirm problem analysis; Assess needs, demands, and capacities of beneficiaries; Foster maximum positive impact for women/girls; Develop appropriate mitigation plans, frameworks or other measures if negative effects are unavoidable 	<ul style="list-style-type: none"> Data collection – PRA techniques, and household survey; Willingness/ability to pay survey; Poverty and gender analysis; Stakeholder analysis; Risk reduction options; Analysis focused on affected persons and/or communities
Draft RP/PSA preparation and reporting	<ul style="list-style-type: none"> Detailed identification of risks and impacts; Ensure social concerns are addressed in designs; Involve stakeholders in agreement on preferred design; Maximize poverty reduction and social development impact; Minimize negative impacts (RP) 	<ul style="list-style-type: none"> Consultation and PRA (incl. responses to draft PSA); Analysis; Review of action/mitigation plans or other measures
Finalization of RP/PSA, disclosure	<ul style="list-style-type: none"> Facilitate stakeholder ownership of final design; Confirm poverty reduction and social development outcomes in project design; Confirm with government and development partner policies 	<ul style="list-style-type: none"> Review of design elements based on responses/comments on draft RP/PSA; Review of project compliance with requirements for action/mitigation plans, frameworks, or other measures

140. In terms of the resettlement process, consultation with, and participation of, APs is essential to ensure a comprehensive relocation and rehabilitation program that suits the needs and priorities of the APs and is well integrated into overall project design and planning. In this respect the objectives of consultation are:

- To share fully information on the proposed project, its components, and its activities, with the APs;
- To obtain information about the opinions, needs and priorities of APs, as well as their reactions to proposed mitigation measures, compensation and livelihood restoration activities;

- To encourage the participation of APs in resettlement activities such as the IOL, identification of livelihood restoration activities, and monitoring of resettlement plans;
- To inform APs and host communities about various options of relocation (if required) and rehabilitation measures available to APs and local authorities concerned;
- To obtain the cooperation of APs and communities in activities required to be undertaken for project planning and implementation;
- To establish a clear, easily accessible and effective complaints and grievance procedure; and
- To ensure transparency in all activities related to land acquisition, resettlement, compensation, and rehabilitation.

5.2 Consultation Undertaken during Resettlement Plan Preparation

141. Consultations have been undertaken for the environmental and social impact assessments and RP as components of the FS in an integrated manner, and are reported in the various documents and plans prepared for each priority subproject.

142. The purpose of the consultations has been to; (i) introduce the CTD and the subprojects to the beneficiaries in each participating town; (ii) identify impacts and receive feedback on the impacts and identify measures to mitigate the impacts and risks; (iii) disclose the eligibility and entitlements for compensation under the Project; and (iv) record the response of beneficiary communities of the Project and its anticipated impacts.

143. The IOL has been conducted in a participatory manner, with the head of the household and spouse of the household head assisting in identification of affected assets and other IR impacts.

144. In addition to discussions held with each AH during the undertaking of the IOL, consultations by way of meetings were undertaken specifically to discuss IR impacts of the subprojects and mitigation measures. These are summarized in the table below.

Table 5.2.1 – Locations and Participants of Consultation Meetings

Subproject	No. of villages where meetings were held	No. of participants
Urban road improvements	12	43
Wastewater treatment + sewerage	5	30
Mekong River embankment	1	10
Total	18*	83

Source: PPTA consultation meetings (December 2011 – January 2012)

* It should be noted that some of the villages consulted for the urban roads subproject are the same as those consulted for the WWTP subproject, while different households are affected within a village, the subprojects do overlap in terms of location in villages. In total 13 different villages are affected by the subprojects

5.2.1 Urban Roads Improvement Subproject

145. Consultations, in addition to the focus group discussions (FGDs) reported in the PSA, have been conducted with people and households directly affected by IR impacts. Meetings were held with 43 representatives of households affected by the works; five villages and 18 participants along Kaysone Phomvihane; five villages and 17 participants along Santhipap; and two villages and eight participants along Fa Ngum.

146. The main points raised during those consultations;

- There is general support for improvement of the three roads. People expect cleaner and tidier roads with residents respecting the ROW equally (i.e. not allowing some people to encroach and others not);
- The roads should be uniform width (not narrow, wide, narrow) and the potholes should be fixed;
- The PDPWT has only minimally consulted owners along the roads in the past. The letters that were issued in 2006 were followed up by visits from the village leaders but the whole process of declaration of the ROW was not undertaken in a consultative manner and people have not been able to air their grievances about it;
- In respect of Kaysone Phomvihane Road improvements, the people along the road have been consulted about various proposals in the past several years. The general feeling is the road should be equivalent to a main road in Vientiane as it is the main gateway to the provincial capital;
- Most people are aware they should remove their fences and commercial structures from within the ROW, they have received notices to do so on the past but because no works have eventuated they have remained to generate as much income as possible before moving;
- A number of households have expanded either their house or commercial structure further into the ROW because there was no follow up to the notices issued in 2006;
- Two village chiefs in the area of Santiphap Road mentioned that many Vietnamese, Chinese and Thai business people are renting lands and row houses along the road because of its close proximity to the centre of the town;
- Some AHs along Santiphap Road considered that the ROW should be adjusted to conform to the structures and walls along the road as they had been there for such a long time. This would reduce the number of people potentially affected by the works;
- The AHs in the area of Fa Ngum Road consider that the impacts of the works are very minor and will have little or no effect upon them. For the most part the works will widen the road in front of government buildings and not affect any private residences at all, in the other section of the road the works will affect walls belonging to the temple (Wat Savang) and the eye hospital in addition to the frontages of properties;
- Most AHs requested that the walls of the temple not be touched by the works and to widen on one side of the road only;
- The trees affected have been planted as decoration and for luck to be brought to the household, they are not used as a direct form of livelihood. Therefore the compensation can be sufficient to purchase a new tree;
- The AHs are also town residents and can see the benefits of upgrading the road network. They noted they suffer from congestion and noise from the poor traffic conditions, AHs with commercial enterprises noted that congestion often affected their ability to receive customers; and
- Overall, the AHs noted that the potential IR effects are acceptable provided that adequate compensation is provided for the strips of land and any other assets taken.

5.2.2 Wastewater Treatment and Drainage Subproject

147. Consultations we conducted with village chiefs, the two land owners of the WWTP sites, the owners of the residential land required for the central system ponds, the users of the land (vegetable growers), owners of structures along Kilamang Stream, and stall-holders that will temporarily affected during construction works along the drains. In total 30 AHs and stakeholders were consulted.

148. The main issues and concerns raised can be summarized as follows:

- In general the AHs support the subproject because the existing drainage system is old and damaged, drains are full of solid waste and very little clearing or maintenance work is done. In a number of sections the drains overflow onto surrounding land, in other areas the open drains create bad smells. The drainage system needs to be upgraded;
- The AHs in the Kilamang Stream area voiced concerns about the stability of the bank during the works, their houses and other structures are constructed very close to the edge of the bank;
- One of the owners of a WWTP site noted that improving the drainage would reduce the flooding of the land, each year the land is flooded and lower-land being submerged for up to three months. The land-holding is substantial in size and by improving the drainage and constructing an access road to the WWTP site this would potentially enable the remaining land to be subdivided and sold as residential lots;
- The existing drainage channel has a 2 m wide designated reserve and upgrading and lining the channel will not create any impacts on the adjacent land;
- The issues raised by AHs in the vicinity of the Savanxai market noted that the area is very crowded and the road is narrow and people have constructed their small shops over the drains in a number of locations. They are aware the effects will be temporary and they can replace their stalls after the works have been completed. The entitlement for compensation is understood and is acceptable; and
- Compensation must be paid to the affected persons at the current market rates, this has been discussed on an initial basis and will need to be confirmed in agreement with the AHs during the DMS and updating of the RP.

5.2.3 Mekong River Embankment Subproject

149. Consultations were held with ten AHs (including riverbank gardeners and evening stall holders) and the chief and deputy chief of Xaiyaphoum village.

150. The main issues raised in respect of the subproject include:

- Improving the riverbank area is seen as a benefit for the town, it will formalize an area that is becoming increasingly popular for evening drinking and eating and can serve as another attraction for tourists along the lines of the night markets run in Vientiane and Luang Prabang;
- Following completion of the subproject a larger area will be available and additional restaurants can establish there;
- The spirit house and a number of old and important trees will not be removed or affected by the works, this was important to the people of the village;
- The riverbank gardeners know that the area belongs to the state, anyone from the village can use the area for seasonal cropping during the dry season, with the main

crop being corn or beans, the affected plots are corn gardens attended for approximately one hour each morning. The gardens last for approximately 2.5 months per year. The riverbank gardens are grown by different people each year; and

- The evening stall operators occupy spaces of between 100 m² and 800 m² each, they operate from 4pm until 10 pm. They understand the nature of the effects as temporary and that they can re-establish following completion of the works. Compensation for lost income during the works and help rebuilding the permanent structures is acceptable to the AHs.

5.2.4 Summary of Issues Raised

151. The communities and AHs are supportive of the subprojects, they note many benefits from improving the roads, installing wastewater treatment plants and sewerage, and providing protection works along a section of the Mekong River. A number of the issues and concerns raised by the AHs and stakeholders during the consultations have been addressed, or explained during the consultations, as follows:

Table 5.2.2 – Issues Raised and Addressed

Subproject	Issue raised	How addressed
Urban road improvements	The PDPWT has only minimally consulted owners along the roads in the past, declaration of the ROW was not undertaken in a consultative manner	Current project has permitted people to air grievances about the declaration of the ROW. The grievance mechanism has been explained but this will only apply to works undertaken by the CTDP and will not apply to any retrospective issues or grievances
	People are aware they should remove their fences and commercial structures from within the ROW, because no works have eventuated they have remained to generate as much income as possible before moving	Compensation principles explained – people will receive compensation for structures to be removed, relocation assistance and livelihood restoration (compensation for lost income)
	The roads should be uniform width (not narrow, wide, narrow) and the potholes should be fixed	The proposed cross-section is a uniform width, includes drainage improvements, footpaths and a median barrier or island
	Along Santiphap Road the ROW should be adjusted to conform to the structures and walls along the road as they had been there for such a long time; this would reduce the number of people potentially affected by the works	The purpose of the road improvement is to widen the road to a uniform width and improve drainage to mitigate flooding, therefore a number of structures (encroachments) will have to be removed or this objective cannot be achieved
	Most AHs along Fa Ngum Road requested that the walls of the temple grounds not be touched by the works and to widen on one side of the road only	The design has been modified to ensure that the wall along the road will not be affected. Widening on the opposite side of the road only will require removal of the iron fence and some trees in front of the eye clinic
Wastewater treatment and sewerage	The AHs in the Kilamang Stream raised concerns about the stability of the bank during the works, their houses and other structures are constructed very close to the edge of the bank	The nature of the works in this vicinity explained more clearly. The works in one section will require the removal of four structures and some trees (these will be compensated), no other structures require removal. The works will effectively stabilize the bank. If any damage occurs during the works, it will be repaired or compensated as per the principles and entitlements set out in the entitlement matrix for the Project

Table 5.2.2 – Issues Raised and Addressed...continued

Subproject	Issue raised	How addressed
Wastewater treatment and sewerage	AHs who have constructed stall over the drains are aware the effects will be temporary and they can replace their stalls after the works have been completed	The entitlements for compensation were fully explained. These were understood and considered acceptable to the AHs
	Compensation must be paid to the affected persons at the current market rates	The Projects entitlement matrix is based on the principle of compensation at replacement value at current market rates. The official MPWT rates are out of date and rates derived through consultations have been included in draft RP, these will be updated during finalization of the RP when the DMS is undertaken
Mekong River embankment	The spirit house and a number of old and important trees should not be removed or affected by the works	The works commence immediately after the location of the spirit house to ensure this cultural resource and the old, established trees will not be affected
	The riverbank gardeners know that the area belongs to the state and can be used by anyone. How will compensation be calculated?	Entitlements as per the matrix explained; compensation for the loss of crop based on value of two seasons of income from the crop. Ahs will have the opportunity to harvest the corn without this affecting their eligibility for compensation
	Evening stall operators understand the nature of the effects as temporary and that they can re-establish following completion of the works. How will compensation be calculated?	Entitlements as per the matrix explained; compensation for removal of permanent structures plus relocation assistance, compensation for loss of income for the period

5.3 Ongoing Consultations with Communities

152. Meetings and consultations, as described above, have been undertaken during the FS. During Project implementation, updating and implementation of the RP will be required along with further meetings, consultations and key informant interviews. These interviews and meetings will provide any additional socio-economic background information on the APs as well as their thoughts and perceptions of the Project. Meetings will need to be arranged and facilitated by the IA through the PIU and recorded and submitted to the EA via the PMU as part of monthly progress reports.

153. For the CTD, while some initial meetings will be held with LWU at provincial and district levels, ongoing consultations and dialogue facilitated by the PIUs should engage ward/village levels LWU members who can help arrange meetings, notify, and facilitate discussions, with affected women. The LWU will be key to ongoing participation of women in the resettlement process, both in terms of RP updating and implementation and in supporting or assisting in implementation of some of the core components of the livelihood restoration and development strategies.

154. A Stakeholder Communication Strategy and Consultation and Participation Plan (CPP) have been prepared for the Project. The CPP identifies the various stakeholders, how they should be invited to participate, key communication methods, and the stages at which consultation will be required.

5.4 Disclosure

155. The cut-off date – the end of the IOL as set by MPWT for each subproject - will be notified to APs and their communities. People moving into the subproject location, or assets that are constructed or planted, after the eligibility cut-off date are not entitled for compensation or other assistance.

156. The RP (or its summary), overall implementation schedule and any updates made on these documents will be available in affected villages, central offices of MONRE, MPWT, and provincial and district government offices.

157. Any amendments to RPs will also be disclosed to APs (including DMS, detailed asset valuations, entitlements, and special provisions, grievance procedures, timing of payments and implementation schedule) before submission to ADB for review and approval. These disclosure activities will continue throughout the implementation of each subproject.

158. MPWT will submit the following documents to ADB for disclosure on ADB's website:

- The draft RP endorsed by the Government during preparation of the Project or before project implementation begins;
- The final RP endorsed by the Government after the census of APs has been completed;
- A new RP or an updated RP, and a corrective action plan prepared during project implementation, if any; and
- The resettlement monitoring reports.

VI. GRIEVANCE REDRESS

159. Due to differing perceptions, values, objectives and responsibilities among different stakeholders, a range of conflicts may occur among and between affected people, resettled villages, district authorities, central government and others. Obviously, avoidance is preferable to resolution, but that is not always possible.

160. While the consultative and participatory nature of the impact assessments and RP are aimed at reducing disagreements and conflicting positions, in instances where disagreements do occur, it is important that they are resolved quickly before positions harden and the conflict escalates. The earlier that discord is recognized and dealt with, the higher the chance of a successful outcome.

161. The grievance process proposed for the Project is based on existing, as well as traditional village, conflict resolution strategies. Justice departments at district and provincial levels are responsible for resolving village conflicts and property disputes, while the LWU are active in solving problems faced by women and the elderly.

162. While every effort will be made to resolve conflicts by mutual agreement of the parties involved, in some cases, arbitration and adjudication on disagreements and conflicts by an external mediator will be required. If an AP, AH or group is not satisfied with, or has a complaint about, an aspect of the resettlement or compensation package, or if for any reason the compensation does not materialize according to the procedures set out in the RP and as agreed between the AP and implementing agency, he or she has the right to make a claim. The various phases or stages of conflict development and appropriate interventions are summarized in Table 6.1.1.

Table 6.1.1 – Phases of Conflict and Possible Interventions

Stage	Intervention
Conflict avoidance	Consultation & participation in planning, decision making
Simple disagreements	Informal negotiation, discussion and mediation
Early conflict development	Reference to village leaders and committee
Conflicting positions taken	Reference to district and provincial level committees
Intractable conflict	Refer conflict to Provincial or National Court

163. To ensure that the basic rights and interests of APs are protected, that their concerns are adequately addressed, and that entitlements are delivered in full and in a timely manner, a grievance procedure has been designed for the Project and is outlined below. There are basic steps to resolve grievances, as described below.

164. Step One - the first step is for the AP or a group of households to approach the village resettlement committee (VRC) which is chaired by the village chief,⁶ and present the grievance. Various village leaders and representatives of mass organizations can be involved in helping resolve grievances at the village level, as shown in Table 6.1.2. In most cases issues can be resolved through discussions and mediation at this level. At village level resolving a grievance should take between one and three days.

⁶ As further described in Section 10, some wards/villages already have a committee that deals with resettlement and grievance issues, in other cases villages do not, in which case they will establish a Village Resettlement Committee (VRC).

165. If the complaint or grievance cannot be resolved at village level, or if the claimant is not satisfied with the decision, the next step can be taken, either by the claimant or the VRC on his/her behalf to the district level.

Table 6.1.2 – Village Level Resettlement Tasks and Responsibilities

Specific Task	Responsible person
Facilitate resettlement involved persons to access to affected AP and AH	Village chiefs
Facilitate resettlement involved persons to access to affected or disrupted sites	
Provide information and other required data to DMS Team	
Certify AP and AH and submit the affected lists to DMS Team	
Assist the DMS Team in data collection from affected AP and AH	Deputy village chief along with village representatives of: LWU, Front for National Construction (LFNC), Youth Union, village elders
Assist the DMS Team in identifying and entitlement of AP and AH	
Assist in grievance redresses and identification	
Represents AP and AH in grievance solution	
Mobilize assistance for the AP and AH	
Participate in monitoring and evaluation	

166. Step Two - the next step is to present the grievance or complaint at the district level. This will be to the district resettlement committee (DRC) which will be chaired by the District Governor or Deputy Governor. At district level the grievance should be addressed within five days. If the DRC cannot resolve the matter or the AP is not satisfied with the proposal of the DRC, the AP may take the case to the next level.

167. Step Three - the third step is for the case to be presented to the Provincial Resettlement Committee (PRC) which is chaired by the deputy Provincial Governor and comprising representatives from the Justice Department, the Cabinet, LWU and LFNC.⁷

168. At the provincial level the EA and/or PMU along with the IA would be primary witnesses in order to both: (i) respond to the claimants grievance in terms of prior activities undertaken, etc; and, (ii) ensure that the claim is reviewed within the context of the existing policy, regulations, procedures and entitlement limits, and that the compensation awarded does not go beyond established matter of practice. The findings of the committee will be obligatory. The PRC must maintain a public book showing all complaints and grievances received and the decisions made. These records will be monitored as part of both internal and external monitoring procedures. The PRC cannot award compensation in excess of what is established as a matter of practice, or not within budgets within which they are operating.

169. The PRC must respond to any complaint or claim between 15 and 30 days.

170. If the above action does not yield satisfactory results, the claimant has the right to present their case to the courts.

171. Step Four - The fourth step is access to the court system. In the first instance the case or grievance will be presented to Provincial Court. It will be in the interest of the EA and IA, PRC, and affected parties to resolve issues before they are brought to the Provincial Court. If the grievance can still not be resolved, or the AP is not yet satisfied with the findings, the second instance is for the claimant to present the case at National Court. Access to the courts is obviously a last resort.

⁷ The membership of the Provincial Resettlement Committee is discussed further in Section 10.

172. The EA will be responsible for meeting the administrative and legal costs that will be incurred in the resolution of complaints and grievances.

VII. LEGAL AND POLICY FRAMEWORK

7.1 National Laws

7.1.1 The Constitution

173. In respect of land ownership and use, the Constitution (1991) provides the following relevant articles: (i) Article 14 - the Government protects and promotes all forms of state, collective, and individual ownership; and (ii) Article 15 - land in Lao PDR is owned by the national community. The Government ensures the right to use, transfer, and inherit it in accordance with the law.

174. Under Article 27 Lao citizens have the right to freedom of movement and residence as provided for by law. It should be noted that (i) the Government must approve the use of all land, individuals are not permitted to 'squat' (as further described under Section 3.1.2; and, (ii) the relocation of people from one province to another is regulated by and permission must be granted from the Ministry of Public Security. In addition, the freedom of movement must not be to the detriment of others, particularly current dwellers or resource users of an area.

7.1.2 Land Law

175. The Land Law (No. 01/97 1997, as amended by Law No. No. 04/NA October 2003), is the principal legislation by which the Government exercises its constitutional responsibility for the management, preservation, and use of land. The Land Law outlines land definitions, land titles and the responsible authorities which vary for each category of land use or administration. The Law makes some reference to the compensation entitlement for land in Articles 67 - 71 (but not to compensation for structures upon land).

176. In relation to the CTD, this law allows for expropriation of land by the Government when it is in the public interest. Importantly, the Land Law requires the land user to be compensated, and this compensation is determined by an inter-agency committee. The articles of particular importance to resettlement are summarized below:

- Article 3 - land within Lao PDR is the property of the national community (as stated in Article 15 of the Constitution) for whom the Government is the uniform central administrative representative throughout the country. Individuals can be assigned, and use, land, only non-forest land⁸ can be held in private title or under a long-term lease which can be transferred;
- Article 5 - provides for protection of the rights of efficient, regular and long-term land users;
- Article 6 – states that individuals have the duty to preserve land in good condition;
- Article 7 – prohibits individuals or organizations from squatting on land, and that any use of land must be approved by the State;
- Article 13 – provides for Lao citizens to lease state land for a maximum period of 30 years (with extensions on a case-by-case basis);

⁸ The Forestry Law (as updated by No.6/NA in December 2007) in Article 4 specifies that natural forests and forest lands are the property of the national community and represented by the Government in respect of administration and allocation for individual use. Individuals and organizations shall have the right to possess and use trees, natural forests and forest land only when authorized by the authoritative agencies.

- Article 43 - rights to the use of land can be achieved through delegation by the State or inheritance (transfer of rights). Land registration is to certify the legal use of land to individuals and organizations;
- Article 54 – termination of land use rights can be affected by voluntary liberation of rights by the possessor, or through expropriation by the State for use of the land in the interests of the public;
- Article 70 – requires that when it is necessary to use an individual's land in the public interest, the Government must make appropriate compensation for damages; and
- Article 71 – requires that in determining damages, there must be a committee comprised of representatives of interested parties to determine the value of the damages.

7.1.3 Land Titling

177. The Land Law provides the issuance of a Land Title, which attests provisional ownership rights to use land (Articles 17-18 and 21-22). To secure the tenure rights of APs to their land, two issues must be addressed (a) the individual household rights to their homes and agricultural plots; and (b) the communal rights of villagers to forest land within the boundaries of the village. The Ministry of Finance has been assisted by the AusAID/World Bank in its process of registration of land parcels in Lao PDR. This has focused primarily on municipal areas where the Land Titling Department systematically registers parcels of land in a town.

178. In places where land titling has not yet been undertaken, most APs will only have Land Use Rights Certificates (Form 01), Land Tax Payment Receipts and/or Residency Certificates. Form 01 are certificates of land use for taxation purposes and are considered evidence of land use but not considered as legal title. For the purposes of the CTDp any such documentation will provide evidence that the user is the recognized or “rightful” user of land and they will be compensated as if they had a land title.

179. For agricultural and forest land the District Agricultural and Forestry Office (DAFO) issues Temporary Use Certificates. People without proof of ownership and/or certificates are considered “unregistered” users. These users differ from “illegal” users. In case of acquisition, those who hold the above documents as well as those who are granted customary land use rights or are considered unregistered users are entitled to receive compensation under the Land Law.

7.1.4 Law on Resettlement and Compensation

180. Decree 192/PM on the Compensation and Resettlement of Development Projects was adopted in July 2005, and together with its Regulation on Implementation (November 2005) and Technical Guidelines (as updated in March 2010), provides a comprehensive framework for resettlement planning in Lao PDR. The Decree applies to any projects that require acquisition of land or land use rights or rights to possess fixed or immovable assets, or require changes in land use or restrictions on the use of resources that affect livelihoods.

181. The main provisions of the Decree aim to: (i) help integrate social dimensions in development projects; (ii) address measures to mitigate adverse social impacts, with a particular focus on vulnerable groups; and (iii) provide for a comprehensive approach in addressing social issues in development projects. The Decree also aims to ensure that mitigation measures, including compensation, relocation, and economic restoration of APs are carried out in accordance with the provisions and stipulations of the Constitution.

182. The Decree defines principles, rules, and measures to mitigate adverse social impacts and to compensate for involuntary acquisition or repossession of land and fixed or movable assets, including change in land use, restriction of access to community or natural resources affecting community livelihood and income sources.

183. The Decree comprises six parts and 19 articles, as described below.

- Part I sets out the objective and fundamental principle for compensation, and relocation of project affected people. It also provides instructions and measurement procedure for mitigation and compensation for all potential negative socio-economic impacts of affected persons (APs) within or in the vicinity of the project areas;
- Part II establishes eligibility and defines the right of affected person in receiving compensation;
- Part III defines the requirement and procedures for compensation assistance measures during relocation, resettlement and livelihood restoration;
- Part IV defines resettlement and compensation components which states and emphasizes the significant of local culture and tradition, community participation in the process, grievance measure and budget considerations;
- Part V refers to enforcement procedures for both violator and complier; and
- Part VI sets out the implementation procedure as well as establishing the institutional framework and responsibility for implementation.

184. The articles of the Decree with most relevance to creation of IR impacts under CTDPA are noted below.

- Article 4 - describes the obligations of a developer to address adverse social impacts and their responsibility to carry out necessary surveys and field investigations, identify affected communities and determine entitlement to mitigation measures including compensation for affected assets;
- Article 5 - deals with eligibility for compensation and states that all individuals and entities residing or making a living within the area to be acquired for a project as of the formally recognized cut-off date will be considered as APs for purposes of entitlements to compensation, resettlement and rehabilitation assistance;
- Article 6 - states that developers shall compensate AP for their lost rights to use land as well as for any lost assets (affected in full or in part) at replacement cost;
- Article 8 – states that APs are entitled to economic rehabilitation measures if more than 20% of their income generating assets (livelihood, employment, business, and/or access to community resources) are lost due to a development project;
- Article 10 – establishes the requirements for resettlement sites or replacement land which shall be as close as possible to the land that was lost and be acceptable to APs. Replacement agricultural land must be of equivalent size and of productive potential at least equivalent to the old site;
- Article 12 – requires developers to prepare and implement a resettlement program in a participatory manner, ensuring that APs, local authorities, and other stakeholders, are fully informed and consulted;

- Article 14 - describes how the developer shall prepare a resettlement plan with detailed cost estimates for compensation and other resettlement entitlements and relocation of APs; and
- Article 17 – states that where a project will affect ethnic groups, the developer will collect necessary information during the field investigations, and if the impacts will be due only to land acquisition requires a separate section in the resettlement plan to cover issues related to, and mitigation measures for, ethnic groups.

185. IR impacts can cause physical and economic displacement of households and disruption of communities, impacts which need to be addressed in a comprehensive manner including compensation for lost assets (asset for asset as a priority with cash compensation if desired by the household or replacement of lost assets is not possible), economic rehabilitation, and community-based livelihood restoration. The Regulation (2005) and Technical Guidelines (March 2010) provide the framework for implementation of Decree 192 and specifically provide guidance for project developers in addressing social issues through comprehensive social assessment, and preparation and implementation of RPs.

7.2 Framework for Environmental and Social Assessment

186. The national framework for environmental protection (Decree 02/NA)⁹ was updated and revised, culminating in Decree 112/PM – Decree on Environmental Impact Assessment – February 2010. Decree 112 provides a stronger and more comprehensive basis for social assessment than earlier environmental protection law, and it is clear from the new law that the EIA process,¹⁰ as set out in Decree 112, includes and encompasses SIA.

1. The main objectives of Decree 112 are to:

- Implement Article 8 of the Law on Environmental Protection;
- Define principles, rules and measures required for the management and monitoring of EIA;
- Ensure that all investments, both public and private, which may create environmental and social impacts are designed with appropriate measures to prevent, minimize, and resolve adverse impacts; and
- Prepare environmental management and monitoring plans (EMMPs) and social management and monitoring plans (SMMPs) to document those measures and demonstrate how they will be implemented.

187. As defined by Decree 112 an SMMP is a plan formulated during EIA/SIA that sets out the “...main social activities, measures on prevention, minimization, and mitigation of social impacts, as well as measures on compensation, resettlement and restoration of living conditions of the people who are (will be) affected by the investment project, organizational structures and responsibilities, schedule, and sufficient budget for the implementation of social monitoring activities during a project’s construction, operation, and termination periods.”

188. Article 13 of Decree 112 establishes the main contents of the SMMP, which must also be consistent with the Decree and Regulations on Compensation and Resettlement (refer to Section 7).

⁹ Law on Environmental Protection (No. 02/99/NA, 03rd April 1999)

¹⁰ “EIA” as used in this section refers to generic environmental assessment (including social assessment) as a process, and does not infer a magnitude of impact. In terms of EIA for the CTD, due to the level of impacts, the level of assessment required for environment safeguard will be initial environmental examinations (IEEs).

189. Along with IEEs and EMMPs, Ministry of Natural Resources and Environment (MONRE)¹¹, will review and approve, or require further information about, SA/SMMP before providing any clearance (environmental compliance certificate) for a project. The project developer is responsible for properly implementing the SMMP. Six months BEFORE operation, the project developer must review and evaluate the construction phase aspects of SMMP implementation, and revise the SMMP making it ready and applicable for the project's operation phase, and submit it to MONRE for approval before MONRE will advise the agency/sector responsible for the project to issue an operating permit.

190. The Decree also provides the opportunity for compliance audits (or if through other means MONRE discovers problems or inadequately implemented SMMPs etc), and if required revision and re-submission of SMMPs, at the cost of the developer.

7.3 Framework for Consultation, Participation and Disclosure

191. Decree 112 sets out a number of specific requirements in respect of consultation with, and participation of, communities and stakeholders, in the EIA/SIA process. Article 7 of the Decree sets out the rights and duties of project affected people and stakeholders which include receiving information about a project along with the potential adverse impacts or benefits they may experience if the project goes ahead. Involvement in the EIA/SIA process is required through provision of appropriate and sufficient information to people and communities affected.

192. For CTD, consultation will take the form of (i) interviews with village leaders, focus discussion groups (FGDs) and household interviews/surveys; (ii) discussions about impacts and mitigation measures, and discussions about implementation of EMMPs and SMMPs; and, (iii) provision of opportunity to review, respond to, or comment on the IEEs and PSAs/RPs.

193. Article 8 deals with the participation process, and establishes as a joint responsibility between the project developer and MONRE, ensuring the participation of affected people and communities and other stakeholders in the process of project feasibility study (including survey and exploration etc), impact assessment, and review of documents prepared during that process.

194. Draft Guidelines on Public Involvement in Environmental and Social Impact Assessment were issued in October 2009, to provide the details for proper consultation and participation as set out in Decree 112

7.4 ADB Safeguard 2: Involuntary Resettlement

195. The ADB's SPS (June 2009) requires ADB-assisted projects to (i) avoid resettlement impacts wherever possible; (ii) minimize impacts by exploring project and design alternatives; (iii) enhance, or at least restore, the livelihoods of all APs in real terms relative to pre-project levels; and (iv) improve the standards of living of the affected poor and other vulnerable. It covers both physical displacement and economic displacement.

196. The key principles of the ADB safeguard policy on IR are as follows:

- Screen the project early on to identify past, present, and future IR impacts and risks. Determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks;

¹¹ The Ministry of Natural Resources and Environment was established in July 2011 and replaces the Water Resources and Environment Administration.

- Carry out meaningful consultations with affected persons, host communities, and concerned NGOs. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase;
- Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible;
- Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required;
- Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing;
- Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status;
- Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets;
- Prepare a RP elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- Disclose a draft RP, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.

- Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant IR impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation;
- Pay compensation and provide other resettlement entitlements before physical or economic displacement;
- Implement the RP under close supervision throughout project implementation; and
- Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

7.5 National Law and ADB Policy Gap Analysis

197. The recent changes in 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.

198. The Decree, similar to ADB's Safeguard Policy 2: Involuntary Resettlement, requires that APs are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not worse off than they would have been without the project.

199. 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's policy at 10% and the Government's Decree 192/PM (Article 8) at 20% of productive and/or 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, and the provisions of resettlement policies for other projects that have been agreed between Government and international donors (ADB and World Bank), the definition of severely affected - as people losing 10% or more of their productive or income generating assets - will be adopted as part of the Project's resettlement policy.

200. Also, both Lao Law and ADB policies entitle non-titled APs to compensation for affected assets at replacement cost and other assistance so that they are not made worse off due to the Project.

201. 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.

202. Both the law (Decree 192) and ADB policy require that if non-titled APs are 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.

VIII. ENTITLEMENTS, ASSISTANCE AND BENEFITS

8.1 Objectives

203. The over-riding objective of resettlement planning is to ensure that all APs will be compensated for their losses at replacement cost, and provided with livelihood impact mitigation and rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards. Consistent with national law and ADB's policy, the objectives of the RP are (i) to avoid IR impacts wherever feasible; (ii) to minimize impacts where displacement (physical or economic) is unavoidable by choosing alternative viable project options; and (iii) where IR impacts are unavoidable, to enhance, or at least restore, the livelihoods of all APs in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

8.2 Resettlement Policies and Principles

8.2.1 CTD P Resettlement Policy

204. The resettlement policy for CTD P is based on those formulated for other similar projects in Lao PDR which have been accepted by Government and ADB,¹² and the entitlements set out in Technical Guidelines on Compensation and Resettlement of People Affected by Development Projects (as revised in March 2010). The principles for mitigating IR impacts and that will apply to the CTD P are set out below.

- APs will be systematically informed and consulted on compensation and/or resettlement options, including relocation options/sites, and socio-economic rehabilitation measures, the acquisition of lands, assets and possible impacts on their livelihoods. They will be informed of their rights and options and be invited to participate actively in the identification of mitigation and rehabilitation measures;
- The APs 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, usually around the time of initial consultations, at the subproject identification stage, to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits;
- Eligible APs are entitled to compensation and livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-subproject living standards, income earning capacity and production levels;
- In the consultation process, representatives of local governments, village heads, other community leaders and civil society organizations such as non-government organizations (NGOs) will be included. The customs and traditions, as well as the religious practices of all APs, will be respected and protected;
- Lack of formal legal rights to assets lost will not deprive any AP from receiving compensation and entitlements. Distinctions should not be made between APs "with" and "without" formal legal title;

¹² The entitlement matrix includes a wider range of impacts than those likely to be incurred by the priority subprojects that are the subject of this RP because the entitlement matrix is for the Project and covers impacts created by subprojects being implemented in the other two towns and which must also be covered by the entitlement matrix.

- The institutions of APs, and, where relevant of their hosts, are to be protected and supported. APs 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;
- Particular attention must be paid to the needs of vulnerable APs. This group of APs may include those without legal or recognizable title to the land or other assets, households headed by females, the elderly or disabled, and other vulnerable groups. Appropriate assistance must be provided to help them improve their socio-economic status;
- An independent grievance redress mechanism, linked with existing traditional formal and informal systems (and cognisant of any cultural requirements), will be established to resolve IR related disputes and complaints from APs;
- Resettlement planning decisions will be preceded by a social preparation phase to enhance the participation of these APs in negotiation, planning, and implementation;
 - Compensation rates for physical assets, i.e. land, houses, crops/trees, buildings and other structures, and non-physical assets such as lost income from productive assets or jobs, will be calculated at replacement cost and included in the RP, these costs will be updated and adjusted as required at the time of compensation;
 - APs who stand to lose only part of their physical assets will not be left with a proportion inadequate to sustain their current standard of living. Such a minimum size will be identified and agreed upon during the resettlement planning process;
 - If the IR impacts are considered to be minor and do not undermine the livelihoods of APs, cash compensation at replacement costs will be offered. For severely affected people (i.e. those APs experiencing significant impacts) additional measures to ensure livelihood restoration, on top of compensation payments, will be identified in conjunction with APs;
- The full cost of IR will be included in the project cost and adequate budgetary support shall be made available during implementation;
- All land acquisition, compensation, resettlement and rehabilitation activities need to be satisfactorily completed and the subproject areas cleared of all obstructions before the commencement of civil works; and
- Finally, physical works for subprojects with IR impacts will not commence before a RP has been prepared and approved. The general process of which includes:
 - Consultation – with APs relevant stakeholders, and whenever necessary, assistance of relevant institutions to ensure effective consultations. Consultations should assess whether there is broad community support for the subproject;
 - Undertake a participatory IOL that will be updated during a detailed measurement survey (DMS) following the detailed design. The initial survey will represent the cut-off date for eligibility;
 - When necessary, identification of livelihood restoration programs acceptable to the local community to be put in place to help people improve, or at least restore, incomes to pre-project levels;

- o Determination of replacement cost – for APs losing assets (land, physical assets, means of livelihood, or social support systems), they will be compensated and assisted by replacement land, housing, infrastructure, resources, income sources, and services, in cash or in kind depending on the type of loss to ensure that their economic and social circumstances will be at least restored to the pre-project level. All compensation will be based on the principle of replacement cost at current market value;
- o Preparing a cost estimate and budget – including the costs of compensation, relocation and rehabilitation, social preparation and livelihood restoration programs. The budget will also include the costs for planning, management, supervision, monitoring and evaluation, land taxes, land fees, physical and price contingencies, and implementation;
- o Inclusion of a monitoring system - appropriate reporting and monitoring and evaluation will be established as part of the resettlement management system.

8.2.2 Affected Persons and Eligibility

205. The definition of APs and AHs for the CTDP is as per Decree 192 and ADB's SPS which includes any person, household, entity or organization, affected by a project, who in the context of acquisition of assets, or change in land use, would have their: (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house, land (including residential, commercial, agricultural, plantations, forest, and grazing land), water resources, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily adversely affected; (iii) business, occupation, place of work or residence areas adversely affected with or without displacement; or (iv) community resources adversely affected.

206. Under Decree 192, all individuals and entities residing, or making a living, within an area to be acquired for a subproject - as of the formally recognized cut-off date - would be considered as eligible for entitlement to compensation, resettlement and livelihood restoration/rehabilitation assistance. People who are not living within the subproject area, but have land and/or buildings or other assets in the subproject area, are also considered to be entitled to compensation, resettlement and rehabilitation assistance.

207. The APs eligible for compensation and assistance under the CTDP include the following:

- Those APs whose land is affected (permanently or temporarily) by a subproject, whether they own or have title to the land or not including; (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (b) those who do not have formal legal rights to land at the time the census, but have a claim to such land or assets - provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and (c) those who have no recognizable legal right or claim to the land they are occupying (non-titled users);
- Those APs whose houses or structures are in part, or in total, affected temporarily or permanently by a subproject;
- Those APs whose businesses are affected in part, or in total, (temporarily or permanently) by a subproject;
- Those APs whose livelihoods, employment or hired labor is affected, temporarily or permanently, by a subproject; and

- Those APs whose crops (annual and perennial) and/or trees are affected in part, or in total, by a subproject.

208. By definition, it is these APs and/or AHs who are entitled to compensation and rehabilitation. However, acquisition, or restrictions placed on use, of particular land or assets may affect more than one AH. For example, when the land is owned by one AH but used to gain a livelihood by another different AH (who is usually paying some type of rent to the owner) then there are two eligible AHs for this one asset. Thus, eligibility is based on: (a) ownership; and (b) use.

8.2.3 Basic Entitlements

209. The entitlements to compensation and assistance to be provided under the CTDTP are consistent with those accepted by the Government in other ODA projects developed in Lao PDR in recent years.

210. As set out above, absence of legal or formal title to land is not a bar to compensation. Both male and female APs will be equally consulted and their rights recognized. Negotiations, compensation payments, and livelihood restoration, will be with/to both male and female head of each household. APs who do not have formal legal rights or customary or recognizable rights to land are not eligible for compensation for land acquired under the CTDTP, but will receive compensation for assets attached to land and other assistance as required. Households headed by single women with dependents and other vulnerable households will be eligible for further assistance to fully mitigate project impacts.

211. As a priority, compensation for land, wherever possible and practicable, will be based on the principle of "land-for-land" of equal size and/or productive capacity, as satisfactory to APs. However, at the request of APs, compensation for loss of land can also be paid in cash equivalent to the current market value of lost land. If the head of household is married, land title for new land will be issued in the names of both the husband and wife. APs will not be charged for taxes, registration, land transfer costs, or any other transaction costs.

212. Any assets (structure, crops, trees etc) requiring removal by a subproject will be compensated at market value which will include the cost of harvest foregone, and replacement cost at current market value for any structures (including houses, shops/stalls etc) requiring removal. The value of any timber or fruit from trees or items from structures that can be salvaged (bricks, wood, timber, corrugated iron etc) will not be deducted from the compensation the AP is entitled to. APs will also be given advance notice to harvest crops and trees.

8.2.4 Special Assistance and Allowances

213. In addition to compensation at replacement cost at current market value for lost and affected assets, APs will be entitled to additional measures to assist in restoring, rehabilitating, and if possible, improving, their standard of living and well-being.

214. As set out in Articles 7 and 8 of Decree 192, such additional assistance may come in the form of:

Relocation Assistance and Transition Support

215. Any APs to be displaced and/or affected due to the loss of income and livelihood shall be provided the following assistance until their income levels and living conditions can be stabilized: (a) transport allowance or assistance in-kind to transfer to the new site (or place of their choice); (b) food allowance, in cash or in-kind (to be provided on a monthly basis), to compensate for income lost, during the transition period; (c) suitable development assistance after displacement until AHs are able to restore their incomes and living standards, or reach the targeted level of household incomes on a sustainable basis.

Economic Rehabilitation

216. In addition to compensation, and measures as set out above, APs will be entitled to assistance to ensure economic rehabilitation/restoration and livelihood development support in cases where compensation for lost assets alone would not be adequate to restore income and/or livelihoods.

217. Such measures will be available to: (a) all APs severely affected by the project due to loss of 10% or more of productive income generating assets (loss of agricultural, industrial or commercial land), means of livelihood, employment or business, and access to community resources shall be entitled to income restoration measures, in addition to compensation and other allowances, enabling them to attain - at a minimum - pre-project livelihood levels; (b) for displaced persons whose land-based livelihoods are affected due to the project, preference shall be given to land-based resettlement strategies, or where land is not available, options built around opportunities for employment or self-employment; (c) for displaced persons whose businesses are affected due to the project, in addition to compensation for lost land, structures, and income, assistance shall be given to finding replacement sites for business as appropriate; and (d) rehabilitation measures will focus on vulnerable groups.

218. Adequate assistance, in addition to compensation for affected assets and other allowances, shall be provided to enable such APs to achieve household income targets set above the national poverty line. The assistance, restoration measures, and allowances that will apply to the Project are also included in the entitlement matrix (Table 8.2.1).

8.2.5 Special Measures for Poor and Vulnerable People

219. Decree 192 requires special provisions for vulnerable groups which specifically include:

- Divorced or widowed female headed households with dependents and low income;
- Households with disabled or invalid persons;
- Households with persons falling under the generally accepted indicator for poverty as defined by the Ministry of Labor and Social Welfare, or the landless;¹³ and
- Elderly households with no means of support.

220. Decree 192 requires that where a project is likely to adversely affect households living in poverty and other vulnerable groups, the RP should specify measures, additional to the compensation entitlements, aimed to improve their status to bring them up to an acceptable level above the poverty line. The PSAs and RPs identify the households defined as vulnerable as per the foregoing categories.

221. The measures focus on avoiding potential social risks and are organized around the themes that include: a) reducing barriers to access to markets, trading and employment opportunities; b) improving access to, and delivery of, essential urban services to the poor; c) empowerment through good governance, sound participatory processes and effective organization of the poor; and d) reducing vulnerability to poverty through building social assets (such as land-for-land, replacement housing, and increased security of tenure). Other strategies may include provision of improved access to micro-finance and affordable micro-credit facilities; and providing appropriate training in new jobs.

¹³ The most recent official poverty rate was defined by Prime Ministerial Decree in October 2009. The poverty line in urban areas is set at 240,000 kip per person per month.

222. The various entitlements for losses anticipated under the CTDPA are set out in the following matrix (Table 8.2.1).

Table 8.2.1 – CTD P Entitlement Matrix

Impact	Application	Definition of AP	Entitlement	Expected Results
A. LOSS OF LAND OR USE OF LAND				
A.1: PERMANENT loss of RESIDENTIAL or HOMESTEAD land	Land other than productive land belonging to households and/or families	Owner or occupant AH # 6	(i) For non-relocating households - cash compensation for the affected portion of the land (any affected structures will be compensated as per Item C); For relocating households – replacement land equivalent to the size or productive value of the land lost, to be prepared suitable for house and other buildings with construction at the expense of the Project; (ii) Cash compensation for difference in area/size of land lost and new plot issued; (iii) Replacement land with title in name of husband and wife will be given to the AH; (iv) Registration and/or land transfer fees will be paid by Project; (vi) Relocating APs will receive a transportation allowance (household effects and salvaged materials etc) plus other allowances as per Item E.	Non-livelihood impacts compensated; Additional assistance provided for APs electing cash option; Security of tenure through title to land (in names of both husband and wife); Relocating APs entitled to allowances as per Item E.
A.2: PERMANENT loss of AGRICULTURAL or GARDEN land	Productive land from which APs or AHs derive a livelihood through either cash income or subsistence	Non-relocating AHs and non-severely affected owners (incl. village administration) who lose LESS than 10% of their productive (cash and imputed income generating) land assets AH # 2	(i) If preferred by the APs, cash compensation for the lost portion of the land at current market value. APs receiving cash for land must undergo financial management training; (ii) For those APs not opting for cash, compensation will be through provision of “land for land” of equal productive capacity and in a location satisfactory to the AP. Land will be cleared, leveled and otherwise prepared for cultivation at the expense of the project; (iii) If crops or trees are lost, then compensation for loss of crops and trees will be in cash at market values and compensation for loss of net income from subsequent crops that cannot be planted as per Item B, compensation for agricultural structures will be as per Item C.	No residual impacts following completion of Project; Compensation provided or suitable alternative land identified and prepared for the APs
		Non-relocating AHs and non-severely affected legal users of land (renters or lease holders), non-titled land users i.e. who lose LESS than 10% of productive land they are using AH # 24	(i) No compensation for land; (ii) Any impacts on the use of the land, or income or livelihood derived from land affected by the loss will be compensated up to the value, or according to the utility, of that loss; (iii) If AH has paid rent or lease charges in advance, the Project will reimburse the AH for the period of rent or lease foregone, without deductions. If the AH is charged a penalty for early lapsing of the rent or lease agreement, this will be paid for by the Project; and (iv) If crops or trees are lost, then compensation for loss of crops and trees will be in cash at market values and compensation for loss of net income from subsequent crops that cannot be planted as per Item B, compensation for agricultural structures will be as per Item C.	No residual impacts following completion of Project; Suitable alternative land identified and negotiated for use by APs; Land will be prepared for cultivation at Project cost

Impact	Application	Definition of AP	Entitlement	Expected results
B. LOSS OF CROPS AND TREES				
B.1: Loss of garden		Owner /user of garden and fields AH # 24	(i) Compensation for crops will be based on gross harvest income at current market rates and taking into consideration the cost of production and investment; (ii) Compensation for each type of standing crops will be at current market value regardless of maturity of crops for a period of three years;	APs will be given two months notice to harvest
B.2: Loss of productive trees, crops, perennials	Standing crops and productive trees removed	Custom or legal owner(s) of land; owners of crops or trees (whether have legal or customary title to land or not) AH # 163	(i) Compensation for affected fruit/nut trees shall be based on average annual value of the produce multiplied by five years; (ii) Compensation for annual crops shall be based on the locally prevailing market prices for the produce for a period of three years; (iii) For standing timber/industrial trees, the Project shall re-establish a plantation at a new site, where applicable, and provide additional compensation to cover the cost of weeding and other plantation maintenance activities; .	Advance notice to harvest; Compensation for standing crops and productive trees Field crops livelihood restoration program
B.3: Loss of non-productive trees and/or ornamental shrubs and plants	Removal of non-productive trees and/or ornamental shrubs and plants	Owners of trees or plants (whether have legal or customary title to land or not) AH # 75	(i) Project-assisted re-planting of trees and shrubs (including hedges and fences) if possible, on new land; (ii) Cash compensation for all trees, plants and shrubs that cannot be replanted	

Impact	Application	Definition of AP	Entitlement	Expected results
C. LOSS OF STRUCTURES AND FIXED ASSETS				
C.1: Partial or total removal of structure (house or any other building or structure)	Structures (residential, commercial or other)	Owner of structure (whether custom owners or having legal title to land or not) AH # 226	(i) For non-relocating households: compensation in cash for all affected structures at 100% of the full replacement cost for materials and labour. The amount will be sufficient to rebuild the structure at current market prices; (ii) Compensation and assistance will be provided in the form of cash without any deductions for depreciation or salvageable materials. The calculation of rates will be based on the actual affected area and not the useable area; (iii) For relocating households: a replacement house of equivalent or better size and standard at the resettlement site, and compensation in cash for additional structures affected and not provided at the new site; (iv) Transport/relocation allowance, as per Item E.	

Impact	Application	Definition of AP	Entitlement	Expected results
D. LIVELIHOOD IMPACTS				
D.1: Livelihood impacts incl. impact on small business or shops	Loss of income and business/other productive assets	Owner of the registered business AH # 85	(i) Provision of alternative business site of equal size and location with good accessibility to customers and satisfactory to the AP; OR (ii) Cash compensation at full replacement value, if suitable replacement land is not available; (iii) Cash compensation for lost business structure reflecting full replacement cost of the structures, without depreciation or deductions for salvaged building material (as per Item C); (iv) Cash compensation for the loss of income during the transition or re-establishment period, based on net monthly income multiplied by 12 months; and (v) Transport/relocation allowance, stabilization allowances as per Item E.	Livelihood restoration; Support during business re-establishment
		Owner of non-registered business AH # 114	(i) Cash compensation based on minimum wage per month in the district for 12 months; (ii) Compensation for structures at full replacement cost. No deduction shall be made for depreciation or salvageable materials; and (iii) Transportation allowance to move assets to new site, and livelihood stabilization.	Livelihood restoration; Support during business re-establishment
D.2: Livelihood impacts incl. impact on waged employees working in small business or shops	Loss of income	Employees or hired labor AP # 142	(i) Informal employees - cash compensation based on minimum wage per month in respective municipality for 12 months; OR (ii) Formal employees - cash compensation based on net monthly wages multiplied by 12 months; (iii) Project will encourage business to provide severance pay for employees; and (iv) Assistance in securing new employment including relevant skills training expenses if required, and priority for wage labour employment in Project activities at locally pertaining equitable wage rates.	Support while AP seeks alternative employment or waits for business to re-establish

Impact	Application	Definition of AP	Entitlement	Expected results
E. ALLOWANCES, ASSISTANCE, AND LIVELIHOOD RESTORATION				
E.1: Relocation to the new site	Transport and relocation allowance	Relocating AHs and small business APs AH # 8	All AHs relocating (residential or small business) shall receive a lump sum allowance equivalent to actual costs of relocation and shifting household or business assets to the new site (transport hires, labour etc)	AHs do not bear the cost of physical relocation
E.2: Transition at new site	Food (subsistence) allowance - AHs required to relocate to resettlement site or other	Relocating AHs and small business APs AH # 8	(i) All relocating APs shall receive a food or subsistence allowance for a period of up to three months. In some cases, as determined in consultation with city/district officials, the allowance may be provided for longer; (ii) The grant shall be part in cash and part in-kind (rice), equivalent to the most recent poverty line (240,000 kip per person per month for urban households) per person per relocating household; (iii) Entitlement to economic rehabilitation measures E.4	Support during initial transition, livelihoods restored, if not improved
E.3: Impacts on vulnerable APs	Any loss or impact; significant impacts on non-relocating APs	Vulnerable households; AH # 48	(i) Cash grant equivalent to the value of the poverty line for a period of three months to head of affected households. In some cases, as determined in consultation with villages/district officials, the allowance may be provided for longer; (ii) Priority for employment in the Project construction work, if available; (iii) Significantly affected AHs may also participate in livelihood restoration and development activities [refer item E.4 (iv)]	Improved livelihoods
E.4: Re-establishment of productive assets and livelihood base	Livelihood restoration package (allowance, access to services, training) - suitable development assistance (as per Decree 192)	AHs with livelihoods affected, significantly impacted AHs (whether relocating or not), relying on agriculture AH # 185	(ii) All significantly affected AHs shall receive an allowance in food and other non-food basic rations, or their cash equivalent, until the full restoration of livelihood in line with the targets set forth in the RP; (ii) The allowance will be the equivalent to 20kg husked rice per month per person per person for up to three months, the allowance may be provided for a longer period ; (iii) All relocating AHs will receive agricultural extension and veterinary service support for period to be agreed in consultation with APs and district officials; (iv) Adult female and adult male from each household to be provided opportunity to participate in off-farm training or skills building; AHs provided with access to agricultural extension services and livestock raising services; access to education outreach - literacy and numeracy programs; access to health programs	Livelihood restoration,; integrated programs providing support and assistance to relocating and significantly affected AHs; Support during re-establishment of productive assets at new site, livelihoods restored, if not improved

IX. BUDGET AND FINANCIAL PLAN

9.1 Requirements

223. The RP is required to include a budget for implementation which identifies where the funds will come from and an implementation schedule linked with the design and civil works. Construction civil works will not commence until compensation has been paid to APs. The budget prepared in the RP is required to identify the costs of resettlement including: compensation, describing the valuation of land and assets and how replacement value or cost will be achieved; livelihood restoration, where this is required; costs of implementing the plan (including administration charges and contingency); and, monitoring.

224. The budget for resettlement activities will be updated in the RPs prepared following detailed design. Through the PRC, the government will release sufficient budget for implementation of compensation, resettlement and livelihood restoration activities in an appropriate and timely manner.

9.2 Establishment of Rates

225. ADB policy and Decree 192 require that compensation for any land or assets lost as a result of project development be compensated at replacement cost. During the updating of the RP (based on the DMS), two valuation reports are prepared (one by the government valuer and one by the independent valuer) based on the size and condition of land, any improvements made to the land, and assessment in respect of the closest comparable values that are obtainable. Compensation will be determined based on the published rates of the MPWT and Savannakhet provincial government, verified by replacement cost and market appraisal. Where the appraisal identifies significant differences between official rates and market rates, the RP will propose the rates to be adopted in the CTDP. MPWT, as EA, will need to approve the proposed rates as they will in effect be additional grants required to ensure replacement value at current market rates.

226. For removal of crops and trees, compensation will be based on the published schedules of the Provincial and/or District governments (PAFO/DAFO) for root crops and tree crops, plantation trees and wood/timber trees. The rates for root crops are based on value of product per m² and tree crops are valued according to age, size and productivity of individual trees. The crop rate schedule has recently been updated and will be gazetted. Established compensation rates for certain types of trees and crops on other similar projects can also be used as a starting point for negotiations.

227. During RP preparation, the IOL team has undertaken a market rates appraisal to determine if the official rates applied will meet the threshold of current market value or replacement cost, for any assets affected. If the official rates are insufficient, additional grants or payments will be clearly identified in the RP budget and cost estimate. The methodology for establishing unit compensation values of different items is as follows:

- Agricultural land will be valued at replacement rates according to two different methodologies depending on whether in affected areas active land markets exist or not. Where active land markets exist, loss of land will be compensated at the replacement rate based on a survey of land sales in the year before the impact survey. Where active land markets do not exist, loss of land will be compensated based on the cost of reproduction of a plot with equal characteristics, access and productivity to the plot lost.
- Houses/buildings will be valued at replacement value based on the cost of materials, types of construction, labor, transport and other construction costs. No

deductions will be applied for depreciation, salvaged materials and transaction costs.

- Annual crops will be valued at net market rates at the farm gate for the first year crop. In the event that more than one-year compensation is due to APs, the crops after the first year will be compensated at gross market value.
- Trees will be valued according to different methodologies depending whether the tree lost is a wood tree, a productive tree or a decorative tree; (i) wood trees will be valued based on age category (a) seedling, (b) medium growth, and (c) full growth and wood value and volume; and (ii) fruit/productive trees will be valued based on age (a) seedling, (b) adult-non fruit bearing, and (c) fruit bearing. Trees at stages (a) and (b) will be compensated based on the standard value of the investment made while trees at stage (c) will be compensated at the net market value of 1 year income multiplied by the number of the years needed to grow a new fully productive tree.

228. The official rates obtained from MPWT (Appendix 1) included only structures. The official rates, while issued in 2008 are actually based on rates for 2002 and 2003 and are out of date.

229. The rates obtained during the rates appraisal undertaken in Kaysone Phomvihane are attached as Appendix 2 and represent the rates used in this RP as they are based on those derived from discussions with the Land Department, district officials, and AHs themselves and are considered to reflect current market value.

230. The rates for compensating land and assets affected by the subprojects have been derived from the appraisal and consultations with affected households. Based on discussions with AHs, the trees have been valued at a lump sum cost for age and type of tree as the trees are largely decorative in nature and have been planted to bring luck to the household rather than as a productive tree per se.

231. The fences will be compensated at the rate derived from the field market appraisal undertaken during the IOL; wooden fence US\$20/m and concrete block or iron-post wall US\$80/m.

232. The discussions to obtain a rate to be used for compensation for land, indicate that the current market value for residential land in the core urban area of Kaysone Phomvihane is US\$300/m² for land located by a main road and US\$200/m² for land located by a minor road. The rates used in this RP are US\$300/m² for residential/commercial land for the urban road subproject and US\$200/m² for the land affected by the central WWTP system. The rates for unused or agricultural land outside of the urban core are between US\$15/m² and US\$20/m², for the two WWTP sites US\$17/m² (or US\$170,000/ha) has been adopted.

233. As noted above, during the updating and finalization of the RP a replacement cost survey will be undertaken, and all rates and units proposed agreed with district, province and MPWT.

9.3 Source and Flow of Funds

234. The budget section of the RP is required to describe the flow of funds for compensation payments.

235. As part of the counterpart contribution, the Government (EA) will be responsible for providing the budget for the compensation, livelihood restoration as well as financing the updating and implementation of the RP.

236. Based on the institutional arrangements for implementation (refer to Section 10), the finalized budget will be approved by Government and released to MPWT as the EA who will transfer the funds for compensation and assistance to the project bank account held by PDPWT/PMU. The PDPWT will release the funds to the PRC which will disburse them to DRCs which will pay the compensation awards to the APs being witnessed by two VRC members.

237. The process for recording payments will include:

- Agreement to the compensation award (copies signed by PRC, DRC and VRC representatives, PIU representative, and the AP and to be held by each of them);
- Notification to VRCs and APs of when the awards/payments will be made and the dates they need to go to the DRC office to collect their compensation payment;
- Offer of the compensation award and compensation amount being received by the AP (on proof of identification and witnessed by two VRC members), copies of which will be signed by PRC, DRC and VRC representatives, PIU representative, and the AP and the receipts held by each of them.

238. The process and recording of the compensation awards will be the subject of monitoring.

9.4 Costs of Mitigating Subproject IR Impacts

9.4.1 Urban Roads Improvement Subproject

239. The costs for compensating lost assets (land, structures and trees) is US\$70,045 (560 million Kip), livelihood restoration and support measures for vulnerable households come to US\$129,528 (1.036 billion kip). Including 10% for administration charges (RP updating, consultations, rates appraisal, RP implementation) and a 10% contingency, the total estimate for the subproject is US\$241,483 (1.93 billion kip), as shown in Table 9.4.1.

240. A detailed breakdown is provided in Table 9.4.5.

Table 9.4.1 – Summary of IR Costs for Urban Road Subproject

Summary	Cost estimate	
	US\$	Kip (000)
Land	12,225	97,800
Structures	52,880	423,040
Trees	4,940	39,520
Livelihood restoration + allowances	129,528	1,036,224
Administration charges (implementation) costs (10%)	19,957	159,658
Contingency (10%)	21,953	175,624
Total subproject estimate	241,483	1,931,867

Source: Kaysone Phomvihane Inventory of losses (October 2011)

9.4.2 Wastewater Treatment and Drainage Subproject

241. The costs for compensating lost assets (land, structures, crops and trees) is US\$1.023 million (8.18 billion kip), livelihood restoration and support measures for vulnerable households come to US\$15,936 (127 million kip). Including 10% for administration charges and 10%

contingency, the total estimate for the subproject is US\$1.257 million (10.062 billion kip), as shown in Table 9.4.2.

242. A detailed breakdown is provided in Table 9.4.6.

Table 9.4.2 – Summary of IR Costs for Wastewater Subproject

Summary	Cost estimate	
	US\$	Kip (000)
Land	1,018,000	8,144,000
Structures	2,440	19,520
Crops + Trees	3,100	24,800
Livelihood restoration + allowances	15,936	127,488
Administration charges (implementation) costs (10%)	103,948	831,581
Contingency (10%)	114,342	914,739
Total subproject estimate	1,257,766	10,062,128

Source: Kaysone Phomvihane Inventory of losses (February 2012)

9.4.3 Mekong River Embankment Subproject

243. The costs for compensating lost assets (structures and trees) is US\$5,040 (40 million kip), livelihood restoration and support measures for vulnerable households come to US\$10,074 (80.5 million kip). Including 10% for administration charges and a 10% contingency, the total estimate for the subproject is US\$18,288 (146 million kip), as shown in Table 9.4.3.

244. A detailed breakdown is provided in Table 9.4.7.

Table 9.4.3 – Summary of IR Costs for Mekong River Embankment Subproject

Summary	US\$	Kip (000)
Land	-	-
Structures	4,140	33,120
Crops + Trees	900	7,200
Compensation costs (land, structures, trees)	5,040	40,320
Livelihood restoration + allowances	10,074	80,592
Admin charges (implementation) costs (10%)	1,511	12,091
Contingency (10%)	1,663	13,300
Total RP cost estimate	18,288	146,304

Source: Kaysone Phomvihane Inventory of losses (February 2012)

9.4.4 Summary of Costs

245. In summary, the total estimate for the three subprojects in Kaysone Phomvihane triggering IR impacts is US\$1.5 million, as shown in Table 9.4.4 below.

Table 9.4.4 – Summary of RP Costs

Town	Subproject	Cost estimate (US\$)
Kaysone Phomvihane	Urban roads (3)	241,483
	WWTP + drainage	1,257,766
	Mekong River embankment	18,288
	Subtotal KP	1,517,537

Source: Kaysone Phomvihane Inventory of losses (October 2011 – February 2012)

Table 9.4.5 – Breakdown of Compensation and Livelihood Restoration: Urban Roads Improvement Subproject

Item No.	Item	Unit	No.	Cost per unit (US\$)	Total US\$	Total Kip (000)
1	Land				12,225	97,800
1.1	Residential/commercial land - compensation	m ²	40.75	300	12,225	97,800
1.2	Agricultural land	ha			0	0
2	Crops				0	0
3	Trees				4,940	39,520
3.1	Mango	tree	32	50	1,600	12,800
3.2	Paw paw /papaya	tree	38	10	380	3,040
3.3	Banana	tree	43	30	1,290	10,320
3.4	Other fruit	tree	46	20	920	7,360
3.5	Bamboo	tree/bush		30		
3.6	Other (decorative)	tree	75	10	750	6,000
4	Structures				52,880	423,040
4.1	Kiosk/small shop (including awning/roof expansion)	m ²	1188	30	35,640	285,120
4.2	Wall - concrete block/rough iron post	m	179	80	14,320	114,560
4.3	Fence - wood	m	146	20	2,920	23,360
5	Livelihood Restoration, Allowances & Other				129,528	1,036,224
5.1	Relocation allowance - household	AH		150	0	0
5.2	Employee - loss of wages compensation	per	142	225	31,950	255,600
5.3	Business - loss of income	per	156	338	52,728	421,824
5.4	Restoration/transition assistance	AH	156	230	35,880	287,040
5.5	Vulnerable AH support	AH	39	230	8,970	71,760
6	Subtotal				199,573	1,596,584
	Contingency (10%)				19,957	159,658
	Administration charges (10%)				21,953	175,624
	TOTAL				241,483	1,931,867

Source: Kaysone Phomvihane Inventory of losses (October 2011)

Table 9.4.6 – Breakdown of Compensation and Livelihood Restoration Costs: Wastewater Treatment and Drainage Subproject

Item No.	Item	Unit	No.	Cost per unit (US\$)	Total US\$	Total Kip (000)
1	Land				1,018,000	8,144,000
1.1	Residential/commercial land - compensation	m ²	500	200	100,000	800,000
1.2	Agricultural land	ha	5.4	170,000	918,000	7,344,000
2	Crops				1,960	15,680
2.1	Rice	ha	0.32	1250	400	3,200
2.2	Vegetables (lettuce, herbs, ginger, other)	season/AH	12	130	1,560	12,480
3	Trees				1,140	9,120
3.1	Mango	tree		50	0	0
3.2	Paw paw /papaya	tree		10	0	0
3.3	Banana	tree	20	30	600	4,800
3.4	Coconut	tree	12	20	240	1,920
3.5	Bamboo	tree/bush	10	30	300	2,400
3.6	Other (decorative)	tree		10	0	0
4	Structures				2,440	19,520
4.1	Kiosk/small shop	m ²	70	30	2,100	16,800
4.2	Rebuild kitchen	LS	3	80	240	1,920
4.3	Rebuild latrine	LS	1	100	100	800
5	Livelihood Restoration, Allowances & Other				15,936	127,488
5.1	Relocation allowance - household	AH		150	0	0
5.2	Employee - loss of wages compensation	per		225	0	0
5.3	Business - loss of income	per	21	496	10,416	83,328
5.4	Restoration/transition assistance	AH	21	230	4,830	38,640
5.5	Vulnerable AH support	AH	3	230	690	5,520
6	Subtotal				1,039,476	8,315,808
	Administration charges (10%)				103,948	831,581
	Contingency (10%)				114,342	914,739
	TOTAL				1,257,766	10,062,128

Source: Kaysone Phomvihane Inventory of losses (October 2011)

Table 9.4.7 – Breakdown of Compensation and Livelihood Restoration Costs: Mekong River Embankment Protection Subproject

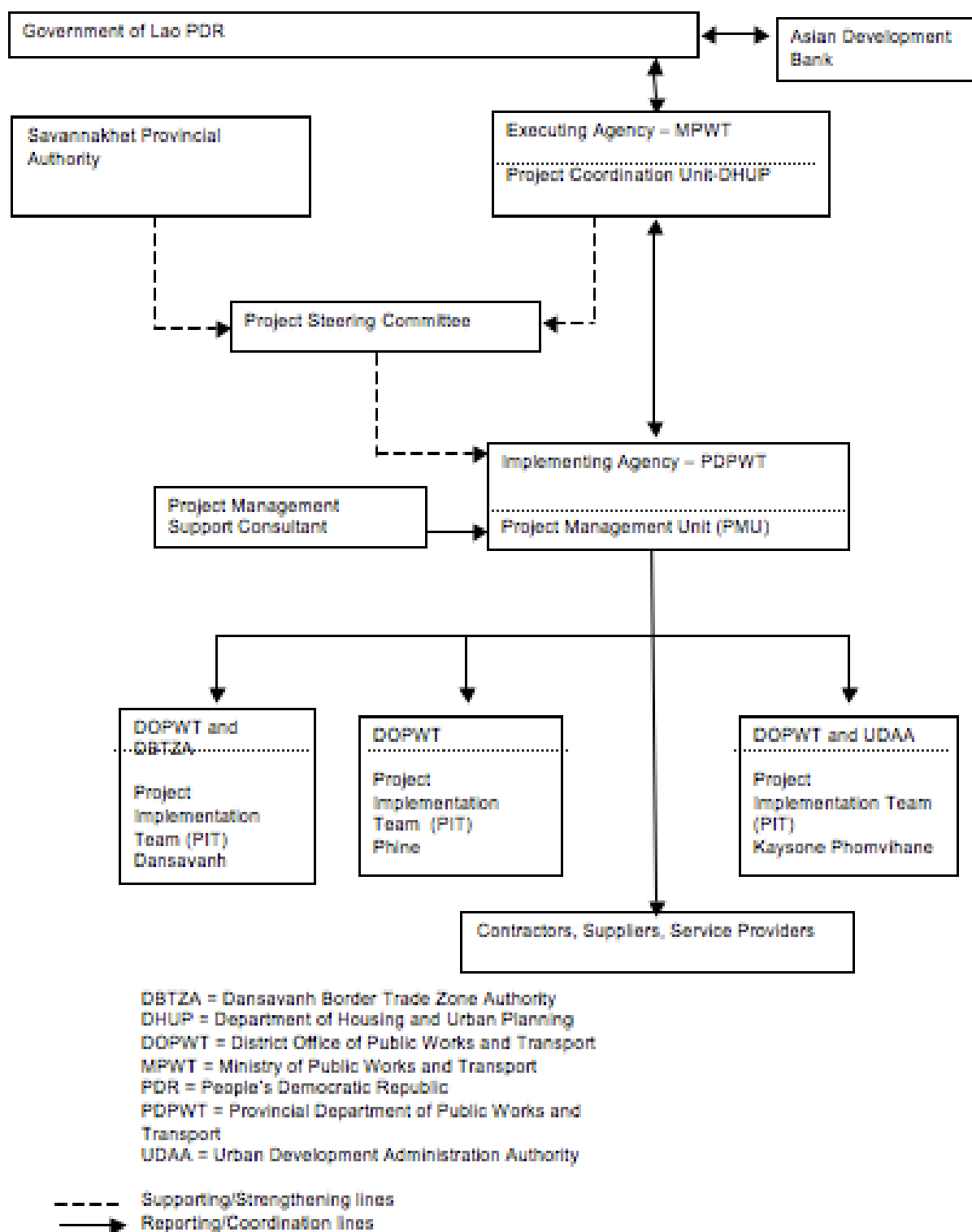
Item No.	Item	Unit	No.	Cost per unit (US\$)	Total US\$	Total Kip (000)
1	Land				0	0
2	Crops				900	7,200
2.1	Riverbank gardens (corn)	season/AH	12	75	900	7,200
2.2	Vegetables (lettuce, herbs, ginger, other)	season/AH		130	0	0
3	Trees				0	0
4	Structures				4,140	33,120
4.1	Kiosk/small shop	m ²	138	30	4,140	33,120
5	Livelihood Restoration, Allowances & Other				10,074	80,592
5.1	Relocation allowance - household	AH	8	150	1,200	9,600
5.2	Employee - loss of wages compensation	per		225	0	0
5.3	Business - loss of income	per	22	257	5,654	45,232
5.4	Restoration/transition assistance	AH	8	230	1,840	14,720
5.5	Vulnerable AH support	AH	6	230	1,380	11,040
6	Subtotal				15,114	120,912
	Administration charges -10%				1,511	12,091
	Contingency -10%				1,663	13,300
	TOTAL				18,288	146,304

Source: Kaysone Phomvihane Inventory of losses (October 2011)

X. INSTITUTIONAL ARRANGEMENTS

246. The overall structure of the organizational and institutional arrangements for CTDIP is given in Figure 4.

Figure 4 – CTD P Organization Chart



10.1 Executing Agency: Ministry of Public Works and Transport

247. The MPWT is the EA for the Project. The MPWT is responsible for the planning and construction of public works and transport sector projects. At the central level, within the MPWT, the line departments, including the Department of Housing and Urban Planning (DHUP), play an important role supporting MPWT in terms of studies, planning, and macro management of housing, urban planning, urban development and urban water supplies activities. A project coordination unit (PCU) will be established within the EA to coordinate project activities at the national level.

248. Following completion of the IEEs, PSAs and RPs, the MPWT is required to review and endorse the documents that are sent to Ministry of Natural Resources and Environment (MONRE) for final approval.

10.2 Project Management Unit

2. 249. The IA for the project is the PDPWT. A project management unit (PMU) will be established within the IA, and will be responsible for assessment, implementation and monitoring of environmental and social safeguards. The Environmental and Social Management Unit (ESMU) will be responsible for overseeing and monitoring implementation of the EMMP, RPs and the gender action plan (GAP). The ESMU will be headed by a manager. The responsibilities of the IA/PMU are summarized below:

- Overall responsibility for project implementation and coordination of project activities;
- Supervise the activities of the Project Implementation Teams organized within the District Authorities;
- Undertake procurement of goods, works and services including recruitment of consultants for project management support, capacity development and training, independent audit and safeguards monitoring;
- Develop and adapt a project performance management system in monitoring project activities using indicators and parameters in the design and monitoring framework;
- Obtain necessary approvals and clearances of environment and resettlement from MONRE prior to awarding of civil works contracts;
- Manage separate project financial records and accounts, and prepare financial reports;
- Supervise the implementation of social and environmental safeguards and including timely disclosure of safeguards documents;
- Supervise the implementation of the Consultation and Participation Plan, Gender Action Plan, and Stakeholder Communication Strategy;
- Supervise the implementation of the resettlement plans including adequate measures to mitigate adverse resettlement impacts;
- Ensure that environment management plans and gender considerations are incorporated in the detailed engineering designs and included in the civil works contracts;
- Undertake regular quality control inspection of project facilities;
- Manage the handover of project facilities to agencies responsible for operation and maintenance;
- Prepare and submit quarterly and annual physical and financial progress reports to the EA; and
- Undertake monitoring of compliance of social and environmental safeguards.

250. The ESMU will also be responsible for overall planning and implementation of environmental and social management (including RP) for the Project, as well facilitating

consultation activities, and coordination with local authorities, AHs, NGOs/civil society organizations (CSOs) and other stakeholders. The ESMU will monitor and report on the effectiveness of implementation of the EMMPs and RPs and coordinate activities during construction and post-construction aimed at improving the environmental and social performance of the Project.

251. The ESMU will support the IA/PIU to prepare all documentation and reports concerning the environmental and social aspects of the Project including resettlement progress reports to be submitted to PMU and DONRE during the implementation period. The ESMU will appoint resettlement specialists (consultants or NGOs) to undertake resettlement activities, update and implement each RP on behalf of the ESMU.

252. The resettlement specialists will be provided with TOR and job descriptions and will ensure all plans are updated and complied with. The resettlement specialists will be considered to be part of the ESMU and will report to the ESMU-Manager.

253. The ESMU will implement resettlement activities under the supervision of the PRC and retain qualified and experienced experts or qualified NGOs to verify the internal monitoring information (refer to Section 12) and the extent to which they have implemented according to the RP, Government policy and regulations and ADB's safeguard policies.

254. The ESMU will act as the first point of contact for the PRC. It will receive all complaints and grievances arising in the course of implementation of any EMMP, SMMP or RP, and resolve them as far as it can with the concerned parties. If the complainant is not satisfied, the matter will be resolved through appeal and tracking through the grievance redress procedure.

255. The Manager-ESMU will report directly to EA, provincial/district authorities, and if required the ADB. The role of the Manager-ESMU will be to ensure that the environmental and social mitigation and monitoring measures are implemented during the course of Project construction and operation. The Manager-ESMU will act on behalf of the PMU in dealing with Government agencies, PRC, or other concerned parties, and will be the EA/PMU representative on the PRC.

256. The activities of the Manager-ESMU will include, but not necessarily be limited to:

- Maintaining good relations and communication with the local communities;
- Coordination, supervision, monitoring and reporting on activities undertaken in compliance with each EMMP and RP;
- Liaising between the developer's project manager, consultants, Government agencies, PRC, and contractors/agencies engaged to implement the EMMPs and RPs;
- Supervising and monitoring field activities in relation to EMMP and RP implementation;
- Supervising specific routine technical tasks of the ESMU; and
- Preparing internal progress reports as required and reporting to the head of the PMU.

257. The ESMU will be responsible for updating and implementing the RPs, implementing required livelihood restoration activities/measures, as well as monitoring. They will also be responsible for managing the relocation process for those households requiring relocation as a result of any particular subproject. The resettlement specialists will report directly to the ESMU-Manager and work closely with the Government staff as required, including PRC.

10.3 Project Implementation Team

258. At the district level, project implementation teams (PIT) will be established to oversee the implementation of the project, including environmental and social safeguards, at the project towns.

259. The responsibilities of the PIT are summarized below:

- Coordinate the implementation of project activities at the district level;
- Ensure the implementation of the approved work plans and program of activities;
- Prepare and submit regular quarterly and annual physical and financial progress reports to the PMU;
- Oversee and coordinate civil works and construction activities;
- Ensure the implementation of social and environmental safeguards and including timely disclosure of safeguards documents;
- Ensure the implementation of the Consultation and Participation Plan, Gender Action Plan, and Stakeholder Communication Strategy;
- Ensure implementation of resettlement plans including adequate measures to mitigate adverse resettlement impacts;
- Coordinate implementation of environmental management plan, and submit regular monitoring reports to the PMU;
- Coordinate the updating of the resettlement plans and monitor implementation of resettlement activities; and
- Undertake monitoring of project activities based on the indicators and parameters in the DMF and prepare regular reports to the PMU on project achievements.

10.4 Project Management Support Consultant

260. To assist and support the EA, IA, PMU and PIT, a consultant shall be engaged for the purposes of both implementation supervision and capacity building so as to ensure the effective implementation of all aspects of the Project including safeguards, land acquisition and resettlement, GAP, and social development planning and implementation. The project management support (PMS) consultant shall comprise a team of international and national specialists for the duration of the Project. In respect of safeguards the principal tasks of the PMSC will be as follows:

- To carry out formal and on-the job training on social preparation, social impact assessment, ethnic groups development, and gender and development;
- To assist and support PMU and PIU in implementation of all safeguards activities;
- To assist in the needs and demand assessments for mitigation of adverse effects on ethnic minority communities, identification of specific income restoration measures for ethnic minority households affected directly by land acquisition, and to then assist in the design of the most effective programs; and
- To brief and/or assist in the briefing of social organizations to a) increase their awareness of the project, b) increase their awareness of the project's grievance mechanism for resettlement and land acquisition issues so that they would be enabled to provide support to affected households.

261. Capacity building will be provided by the PMS consultant's safeguard specialists to PMU, PIT and all other members of the PMS consultant.

10.5 Other Institutions Involved in Resettlement Activities

10.5.1 Provincial Resettlement Committee

262. The further planning and implementation of the Project will be undertaken through consultation with, and advice from, provincial and district government agencies, through the establishment of a resettlement committee. Consultations with the Provincial Land Department indicated that there is not a standing PRC in Savannakhet, but that rather project based PRCs are established. Therefore under the CTD P a PRC will need to be formed.¹⁴

263. The main function of the PRC is to represent the interest of the APs and stakeholders in dealing with project impacts and mitigation measures.

264. As required for the Project, the operational costs of the PRC will be supported by the CTD P through counterpart funding. To avoid conflicts of interest, no member of the PRC may be contracted to implement any part of the EMMPs or RPs prepared for the Project.

265. Following precedents set by recent development projects in Lao PDR, the PRC for the CTD P will comprise officials from relevant district and town government departments and agencies, as well as representatives of NGOs and CSOs as required. The PRC will be chaired by either the Governor or Vice-Governor and include:

- The Manager of the ESMU;
- Provincial Department of Natural Resources and Environment (DONRE) staff;
- Land Management Department staff;
- Representatives of affected districts including District Land Officer (and Land Asset Registration and Titling Unit as required);
- LWU and LFNC representatives;
- For implementation of RP (as required) measures, representatives of District Forestry Officer; District Agriculture Officer; District Industry & Handicraft Officer; District Health Officer; and District Education Officer; and
- Chiefs of participating villages (including any traditional leaders as required).

266. The PRC will meet regularly, and will have an inaugural meeting at least one month before the start of the Project and will operate during the construction of the subprojects and for up to two years after completion of construction activities (to monitor impacts and take action where necessary). The minutes of meetings and activities of PRC will be incorporated into overall Project internal and external monitoring.

267. The responsibilities of PRC will be as follows:

- Coordination of relevant Government organisations with ESMU to ensure that RPs are properly implemented;
- Ensuring prompt valuation of land and assets (crops, production, market values, etc.) for compensation for APs and resettled people;
- Organisation of provincial and district level meetings and consultations as required;

¹⁴ The membership of the PRC should be further discussed and determined by PDPWT and PMU and participating towns.

- Monitoring and auditing funds that are earmarked by the developer(s) for Government-led activities as part of RP implementation; and
- Participation in resolution of, and follow through, of claims or complaints lodged via the established grievance redress procedure.

10.5.2 Project Steering Committee

268. For effective coordination, management and implementation of the CTDP, a project steering committee (PSC) will be established. The PSC will be comprised of representatives of Savannakhet provincial and district government representatives from Kaysone Phomvihane, Phine and Sepon. The PSC will be chaired by the Vice Governor of Savannakhet.

10.2.3 Independent Monitoring Organization

269. The CTDP will be required to fund an IMO for the purposes of independent or external monitoring of all project activities, and compliance with the management plans and mitigation measures approved by MONRE.

270. For LAO PDR, one IMO can be established for all subprojects to be developed under the CTDP as the three corridor towns are based in one province. The requirements of the IMO are discussed more fully in Section 12.3.

10.5.4 Ministry of Natural Resources and Environment

271. The MONRE is the central environment management agency which has the mandate to co-ordinate environmental protection efforts of government ministries as well as provincial authorities. MONRE administers the environmental and social assessment system, in collaboration with relevant line agencies, through review of EA/SA reports and issue of a certificate of clearance for project development. MONRE is also responsible for overall guidance on the matters pertaining to inspection of, and compliance with, management and monitoring aspects of projects approved at the central level. At provincial level these matters are handled by DONRE.

272. MONRE will be an observer from the central Government, to ensure that Lao PDR environmental policies are satisfied within the context of the CTDP. If satisfied with the EA/SAs prepared, MONRE will provide Government clearance of the EMMPs and RPs prepared for each subproject to be developed under the CTDP.

XI. IMPLEMENTATION SCHEDULE

273. The draft RP will be disclosed to APs and other stakeholders for their comments. The RP will then be finalized incorporating comments from APs and other stakeholders as relevant. The final RP will be produced in English and Lao. The finalization and implementation of the RP will be coordinated with the Government's formal land acquisition and resettlement procedures in accordance with Decree 192. The RPs will be endorsed by the MPWT and will be submitted to ADB for review and approval. A "no objection" for the RPs will be received from ADB prior to implementation of a subproject.

274. The IA/PMU will not issue a notice of possession to contractors until Head of the PRC [and confirmed by Land Department (DONRE)] has officially confirmed in writing that (i) payment has been fully disbursed to the APs and rehabilitation measures are in place (or are being out in place) as per the Final RP agreed between PMU and ADB; (ii) already compensated APs have cleared the area in a timely manner; and (iii) the area is free from any encumbrances. No land recovery or site clearing will be undertaken until and after the Final RP has been implemented satisfactorily.

275. Following preparation of the draft RP, tasks for the RP are divided into (i) updating and final preparation including RP approval, disclosure and award of signing of contracts; (ii) RP implementation including processing and making payment of compensation and allowances and (iii) evaluation of implementation. Public consultation, internal monitoring and grievance redress will be undertaken intermittently throughout the project duration. The IR milestones include (i) approval of RP, (ii) signing of contract awards, (iii) letter to proceed for civil works construction; and, (iv) start of physical civil works. A post-implementation evaluation will be carried out after completion of RP implementation.

276. The finalized RP will revise the schedule showing actual months based on Project and subproject requirements to be advised by the EA and IA. The time-bound implementation schedule of the RP will be prepared in consultation with the IA.

277. All activities related to IR will be planned to ensure that compensation is paid prior to displacement and commencement of civil works construction.

278. Reflecting the need for a staggered implementation for the subprojects, assuming detailed design can be finalized in early 2013 for the urban roads and WWTP subprojects and early 2014 for the Mekong River embankment subproject, Tables 11.1.1 and 11.1.2 provide the schedules for the estimated timing for activities required for finalization and implementation of the RP.

XII. MONITORING AND REPORTING

12.1 Objectives of Monitoring

279. Monitoring is the continuous process of assessment of sub-project implementation in relation to agreed schedules and requirements. For social impact and resettlement components, the monitoring has two purposes:

- To verify that resettlement activities have been effectively completed including quantity, quality, and timeliness and comply with the plan; and
- To assess whether APs have been able to restore, or improve, their livelihoods to their pre-project status.

280. Regular monitoring of RP updating and implementation will be conducted by ESMU and PIT together with at least one representative of PRC.

For implementation of social safeguard aspects, the ESMU should include the following specialists:

- A project monitoring specialist with a strong background in mathematics or statistics and a relevant social or natural science plus experience in planning, implementing, monitoring and evaluating resettlement plans or projects to international standards on large hydropower projects, and preferably with relevant experience in Lao PDR or elsewhere in the region;
- National resettlement specialists or social development specialists with strong background in relevant social sciences and demonstrated experience in organizing and managing socioeconomic data collection and analysis, participatory rural appraisal, group facilitation, and with relevant experience in the Project area; and
- Surveyors with demonstrated experience in household surveys, data input and analysis and participatory rapid appraisal techniques, and group facilitation will be used. Surveyors and monitoring team leaders should have an equal gender mix and local language skills.

12.2 Internal Monitoring

281. Internal monitoring of the implementation of the RPs will be the responsibility of ESMU and PIT. The ESMU and PRC will oversee the progress of RP finalization (updating) preparation and implementation, and will be reported to by the ESMU-Manager through regular progress reports.

The main indicators that will be monitored regularly are:

- Public information dissemination and consultation procedures;
- Priority of APs regarding the options offered;
- Payment of compensation to APs in various categories, according to the compensation policy described in subproject RPs;
- Delivery of technical assistance including relocation and payment of allowances;
- If required, delivery of income restoration and rehabilitation assistance entitlements;
- Adherence to grievance procedures and outstanding issues requiring management's attention; and

- Coordination and completion of resettlement activities and permission to commence civil works in relation to the implementation schedule included in the RPs.

282. A database of resettlement monitoring information regarding the Project will be maintained and updated every month. The database can be established with assistance from the PMS consultant. The internal monitoring reports shall include the following topics:

- The number of APs by category of impact, and the status of compensation payment and relocation/income restoration for each category;
- The amount of funds allocated for operations or for compensation and the amount of funds disbursed for each;
- The eventual outcome of complaints and grievances and any outstanding issues requiring action by management;
- Implementation problems; and
- Revised and actual resettlement implementation schedule.

283. The monitoring reports will be forwarded by ESMU-Manager to MONRE, MPWT, PMU, PIT and ADB as part of regular Project reporting. The internal monitoring reports will be subject to external monitoring.

12.3 External Monitoring

284. An IMO will be engaged for the CTD. The IMO will evaluate compliance with various safeguard management plans, and therefore will include environmental and social (resettlement) assessment specialists. For resettlement aspects, the general objective of external monitoring is to provide independent periodic review and assessment of achievement of resettlement objectives, the changes in living standards and livelihoods, restoration of the economic and social base of the affected people, the organizational effectiveness, impact and sustainability of entitlements, and the need for further mitigation measures if any.

285. External or independent resettlement monitoring verifies two things; (i) the resettlement activities have been undertaken in accordance with the RPs; and, (ii) that APs have at least been able to restore, if not improve, their livelihoods. In respect of resettlement monitoring, the independent review should start as soon as the RPs have been approved.

286. The types of indicators to be externally monitored include:

- General and overall compliance of resettlement activities with the RPs, including payment of compensation: (a) full payment to be made to all affected persons sufficiently before land acquisition; (b) adequacy of payment to replace affected assets; and (c) provision of income restoration assistance and restoration of livelihoods/productive assets;
- The level of satisfaction of APs with various aspects of the RPs will be monitored and recorded. The operation of the mechanisms for grievance redress, and the speed of grievance redress will be monitored;
- Public consultation and awareness of compensation policy: (a) APs should be fully informed and consulted about land acquisition, leasing and relocation activities; (b) the monitoring team should attend at least one public consultation meeting 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 the APs; and (d)

assessment of awareness of various options available to APs as provided for in the RPs; and

- Throughout the implementation process, the trends of living standards will be observed and surveyed. Any potential problems in the restoration of living standards will be reported.

Some suggested indicators are included in Table 12.3.1.

Table 12.3.1 – Indicators for External Monitoring

Aspect	Indicators
RP implementation	<ul style="list-style-type: none"> • General and overall compliance of resettlement activities with the RP/REMPPs, including payment of compensation: (a) full payment to be made to all affected persons sufficiently before land acquisition; (b) adequacy of payment to replace affected assets; and • The level of satisfaction of APs with various aspects of the RP process.
Consultation, participation, disclosure and grievance redress	<ul style="list-style-type: none"> • Public information dissemination and consultation procedures conform to the process established in the RPs; • The participatory process and various mechanisms as well as measures taken, both in terms of the quality and meaningfulness of this process, and the extent that primary stakeholders actively participate in the process; and • The disclosure of the updated and detailed plans to affected people for the cultural and language appropriateness of the disclosure methods, and whether APs know their entitlements and whether they have received all of their entitlements; and • Monitor the effectiveness of the grievance mechanism, types of grievances, if and how resolved, and satisfaction of APs with the process.
Gender issues	<ul style="list-style-type: none"> • The institutional and staffing mechanisms; • Collection and dis-aggregation of gender sensitive data; • Women's representation and participation in the detailed planning and implementation process; • Gender inclusiveness such as health programs for men and women and technical training to both men and women, rather than segregating health awareness for women and technical training for men, although the programs implemented may be in gender separated groups; • Delivery of land titles in the names of both husband and wife; • Whether compensation has been delivered to both husband and wife, together; and • The effectiveness of resettlement and livelihoods programs for restoring and developing women's income and living standards.
Vulnerable groups issues	<ul style="list-style-type: none"> • Assessment of the adequacy of the measures taken to address concerns; • Effectiveness of communication methods used; and • Assessment of the appropriateness and effectiveness of various entitlements, programs and activities and methods of delivery for various vulnerable households and groups, and the need for adjustment or additional measures.
Transparency	<ul style="list-style-type: none"> • How information is distributed and to whom, in order to make sure that all APs have the proper information and access to knowledge. Related to this is the functioning of decision-making bodies and how this information is properly recorded and made available to the population as a whole.

12.4 Evaluation

287. Evaluation is an assessment at a given point of time of the impact of resettlement and whether stated objectives have been achieved.

288. It is recommended that ADB and/or IMO conduct an evaluation of the CTDTP subproject RPs process and impact 6 to 12 months after completion of all resettlement activities.