

# Resettlement Plan

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July 2012

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

Phine, Lao PDR

## **CURRENCY EQUIVALENTS**

(as of 1 August 2012)

Currency Unit	–	kip (KN)
KN1.00	=	\$0.00012
\$1.00	=	KN8,013

## **ABBREVIATIONS**

AH	–	affected household
AP	–	affected person
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
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
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
RF	–	resettlement framework
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 displacement	–	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 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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## 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 Dansavanh 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.** In Lao PDR five of the six priority subprojects 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. The RP also proposes a range of measures to close the gaps between the national law and the IR safeguard. RPs have been prepared for each town covering the subprojects triggering IR impacts.
5. **Phine road improvement subproject.** DDPWT of Phine has proposed two packages of existing roads improvements in the northern and southern communities along National Road 9 (NR 9). The subproject involves the upgrading of existing roads and improvement to the drainage system to provide for all-weather access and reduction in flooding through construction of permanent drainage structures and widening of the existing roads to two lanes. The upgrading works also provide for installation of street lighting, tree planting trees and construction of footpaths.
6. The subproject will improve 9.4 km of existing roads located on the north and south sides of NR 9 and construct new sections of road to link with NR 9. The works comprise (i) reconstruction/widening of 5.4 km of existing roads and tracks; and (ii) construction of 4.02 km of new road sections including 1.82 km north-west of NR 9, 1.28 km south-west of NR 9 and 0.7 km south-east of NR 9. All new sections of road will connect back to NR 9. All roads subject to works will be wide enough to accommodate an asphalt concrete sealed 7.5m carriageway and 2 x 3m wide footpaths/covered drains. Installation of the drainage system, culverts, street lighting and tree planting will be according to MPWT specifications (2006).
7. The subproject in Phine triggers IR impacts and therefore a RP has been prepared.

8. **Affected households.** In total the subproject will create impacts in four of the five villages that make up Phine town (in Phine District). As shown in Table 1, the road upgrading subproject will directly affect 109 households (AHs) and a total of 608 affected persons (APs) including 300 males and 308 females. Overall 14 of the AHs (13%) are headed by women.

**Table 1 – Affected Households by Location**

Village	Affected households		Affected Persons		
	Total no. of AHs	Female headed AHs	Total no. of APs	Total no. of male APs	Total no. of female APs
Napho	26	3	133	59	74
Pasomxai	32	3	171	86	85
Sakhouang	17	0	102	52	50
Veunhongkham	34	8	202	103	99
Total	109	14	608	300	308

9. **Vulnerable households.** There are 35 households (32% of all AHs) that are considered vulnerable including 33 household falling below the poverty line, in addition there is one household (with dependants) headed by a single and low income woman, and one household headed by an elderly person with no means of support. Households headed by women and other vulnerable households are eligible for assistance to fully mitigate project impacts through ensuring that at least two members of those households (one male and one female) are offered employment during construction and/or maintenance works.

10. **Involuntary resettlement impacts.** The nature of the road upgrading works is that strip acquisition of land will be required, with most AHs losing a small proportion from the frontage of their residential or agricultural plots. Residential land belonging to 103 AHs will be affected, and the agricultural land belonging to 68 AHs will be acquired. In total some 823 m<sup>2</sup> of residential land and 1.54 ha of agricultural land will be affected.

**Table 2 – Impacts and Losses of Land**

Village	No. of AHs with residential land affected	Area of residential affected (m <sup>2</sup> )	No. of AHs with agricultural land affected	Area of agricultural land affected (ha)
Napho	24	200	24	0.57
Pasomxai	31	192	14	0.20
Veunhongkham	32	312	14	0.54
Sakhouang	16	119	16	0.23
Total	103	823	68	1.54

11. The impacts are minor with AHs losing in the order of 1%-3% of their total residential land plot and between 2% and 6% of their total area of agricultural land. None of the AHs will experience significant impacts i.e. 10% or more of their productive land (income generating) being lost. No land used for commercial or other purposes will be affected by the works.

12. There are no houses or other substantial structures affected by the works. The works will affect 103 AHs through impacts on walls or fences as well as the ancillary buildings (outdoor pit latrine or outdoor bathroom) of four of the 103 AHs (Table 2).



**Table 2 – Structures Affected by Number and Area**

Village	No. of AHs with structures affected	No. of structures affected	Area of structure affected	
			Wall/fence (m)	Outdoor bathroom or latrine (m <sup>2</sup> )
Napho	24	24	275	0
Pasomxai	31	32	346	3
Veunhongkham	32	33	375	3
Sakhouang	16	18	196	6
Total	103	107	1192	12

13. Fences (1,192 linear meters) can be re-erected and the outdoor bathrooms and latrine (12 m<sup>2</sup>) can be re-constructed further back on the same land plots. The impacts on the fences affected amount to removal of 3m to 12m long sections of wooden fence and replacing further back. The fences can be reconstructed in 1-2 days. The AHs experiencing effects on their latrines/bathrooms are of the view that they can rebuild them in 1-2 weeks.

14. No crops are affected by the subproject. Trees belonging to 72 of the AHs will be affected, with 128 fruit trees requiring removal. The affected trees include mango, jackfruit, coconut, tamarind, lemon/lime and bamboo (Table 3).

**Table 3 – Trees Affected**

Ward/village	No. of AHs with trees affected	No. of trees affected	No. of trees by type					
			Mango	Jackfruit	Coconut	Tamarind	Lemon/lime	Bamboo
Napho	20	38	12	4	4	6	6	6
Pasomxai	22	36	5	6	5	7	6	7
Veunhongkham	21	40	5	6	6	7	9	7
Sakhouang	9	14	2	3	2	3	2	2
Total	72	128	24	19	17	23	23	22

15. The works will not affect any community property or resources. There are no livelihood impacts created by the subproject.

16. **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.

17. The IA/ PMU together with the PIT, and with assistance from the 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.

18. **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 leader and village resettlement committee, moving to the district resettlement committee if the complaint cannot be resolved at village level, and then the matter will be adjudicated by the PRC if it is not able to be resolved at the district level.

19. If a satisfactory conclusion cannot be obtained through this process, and if the complainant is still not satisfied the matter/grievance will be directed to the provincial or national court.

20. **Monitoring.** The EA and IA will monitor the progress of all aspects of land acquisition/RP implementation, and indicators have been identified in RPs. They will particularly monitor the delivery of entitlements to APs. The monitoring will also cover 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.

21. **Cost of the resettlement plan.** The estimated cost of compensating for the land is estimated to be US\$29,280 this includes acquisition of the strips of residential land (US\$24,690) from 103 households and agricultural land (US\$4,590) from 68 households. Compensating for the structures is calculated as follows: (i) reconstruction of fences and walls (further back on same land); and (ii) construction of a sanitary latrine to replace outdoor latrines to be removed. The cost for compensation of structures is estimated to be US\$24,240. The estimated cost for compensating for the 128 trees to be removed is US\$3,780. Based on the provisions of Decree 192, livelihood assistance will be required for all vulnerable households, these have been identified in the IOL and costs included in the estimate.

22. Table 4 shows the estimated cost of mitigating the IR impacts including administration charges (cost of updating and implementing the RP) of 10% and a contingency of 10% is US\$80,005 (640 million kip).

**Table 4 – Summary of IR Mitigation Costs**

Summary by item	US\$	Kip (000)
Compensation costs (land, structures, trees)	57,300	458,400
Livelihood restoration + allowances	8,820	70,560
Administration charges (implementation) costs (10%)	6,612	52,896
Contingency	7,273	58,186
Total RP cost estimate	80,005	640,042

## I. 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 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 Lao PDR's 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. 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 system, water treatment and collection system, expansion of the water supply and sanitation system, solid waste management, riverside development for protection, and possible tourism facilities development including the establishment of a market trading and bus terminal.

11. Following the national inception workshops held in June 2011 and subsequent discussions with the EA, the priority subprojects in Lao PDR were confirmed as shown in Table 1.1.1.

Table 1.1.1 – 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
	Improvements to solid waste collection and establishment of materials recovery facility at existing landfill
	Mekong River embankment protection



### 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]<sup>1</sup>) 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 the priority subproject in Phine. The conclusion is that the urban roads improvement subproject will create IR impacts.

14. The IR impacts have been identified and can be mitigated through preparation of resettlement and implementation of a resettlement plan (RP). This RP – prepared for the Phine road improvement subproject - 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. Such an assessment is formulated as an ethnic group plan (EGP).

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)

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<sup>1</sup> 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.

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 74% are from the Lao-Tai group (23% Lao and 51% Phoutai), 16% are from the Mon-Khmer group being 10% Makong and 16% Katang. Each of the five villages that make up the town comprise at least two, if not three ethnic groups in addition to the Lao; the non-Lao groups in Phine are urbanized and assimilated in Lao social and economic patterns. Fluency in Lao is very high with all of the respondents to the IOL stating they were both fluent in Lao and literate in Lao.

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 CTDTP 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. The CTDTP 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 CTDTP is 'C' which does not require preparation of an IP plan.
- 1.3 Objectives of the Resettlement Plan
24. 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 APs<sup>2</sup> relative to pre-project levels; and to improve the standards of living of poor APs and other vulnerable groups.
25. 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.
26. The RP identifies measures to ensure that APs are (i) informed about, and consulted on, the CTDTP 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 CTDTP.
27. The scope and contents of the RP include:
- Section 1 – introduces the need and rationale for the CTDTP, introduces the safeguards, and establishes the objectives of the RP;
  - Section 2 – describes the subproject and provides the engineering and technical details that have been used in the assessment of IR impacts;

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<sup>2</sup> 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.



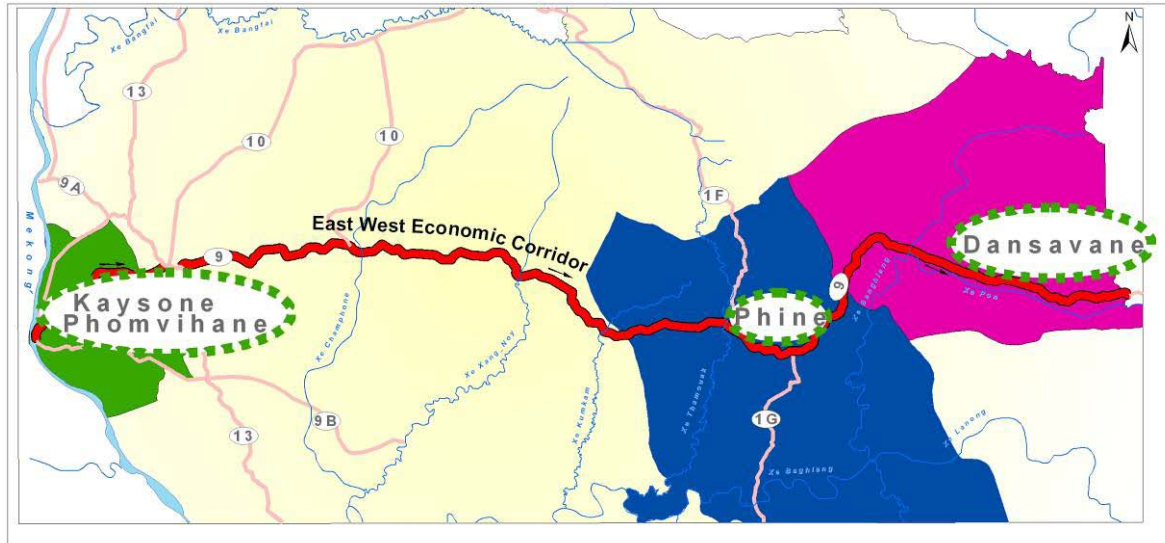
- Section 3 – presents the socio-economic information and profile of APs derived from the census and IOL;
- Section 4 – provides the assessment of IR impacts and losses by type;
- Section 5 – describes the means and results of consultation and information disclosure undertaken during preparation of the 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 CTDP;
- Section 9 – establishes the costs estimate (budget) and financial plan;
- Section 10 – describes the institutional arrangements for the overall CTDP and for resettlement plan preparation, finalization and implementation;
- Section 11 – provides the implementation schedule; and
- Section 12 – describes the process for monitoring and evaluation, discusses the need for independent (third party) monitoring and sets out some initial indicators.

## II. DESCRIPTION OF THE SUBPROJECT

### 2.1 Subproject Rationale

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

**Figure 2 – Location of Phine along EWEC**



### 2.2 Urban Road Improvements

#### 2.2.1 Existing Problems and Need for Subproject

29. 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 stimulated economic activities in the town of Phine, located approximately half way along National Road 9 (NR9) in Savannakhet. With its central location and proximity to special trade zones in both Kaysone Phomvihane and Dansavan, the population of Phine is supposed to grow rapidly with arrivals of in-migrants from neighboring towns and provinces in Lao PDR in addition to natural growth. 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 district authorities of Phine have prepared a development plan that incorporates, amongst other things, essential urban road improvements to accommodate existing local traffic needs and plan transportation development activities. The plan is consistent with the development vision of Phine town to become an attractive and competitive economic center along the EWEC.

30. The services currently being provided by the existing rural access road network within district communities are inadequate to meet the demands from increased activities economic in Phine. The problems associated with limited space for traffic and transportation as well as overcrowding is adversely affecting the urban environment of the town. Local authorities and PDPWT recognize the need to upgrade roads and provide improved transportation services (terminal and market).

31. As part of the development plan, the local authority has identified upgrading and improvement of key sections of the town road network to provide for more easy access and

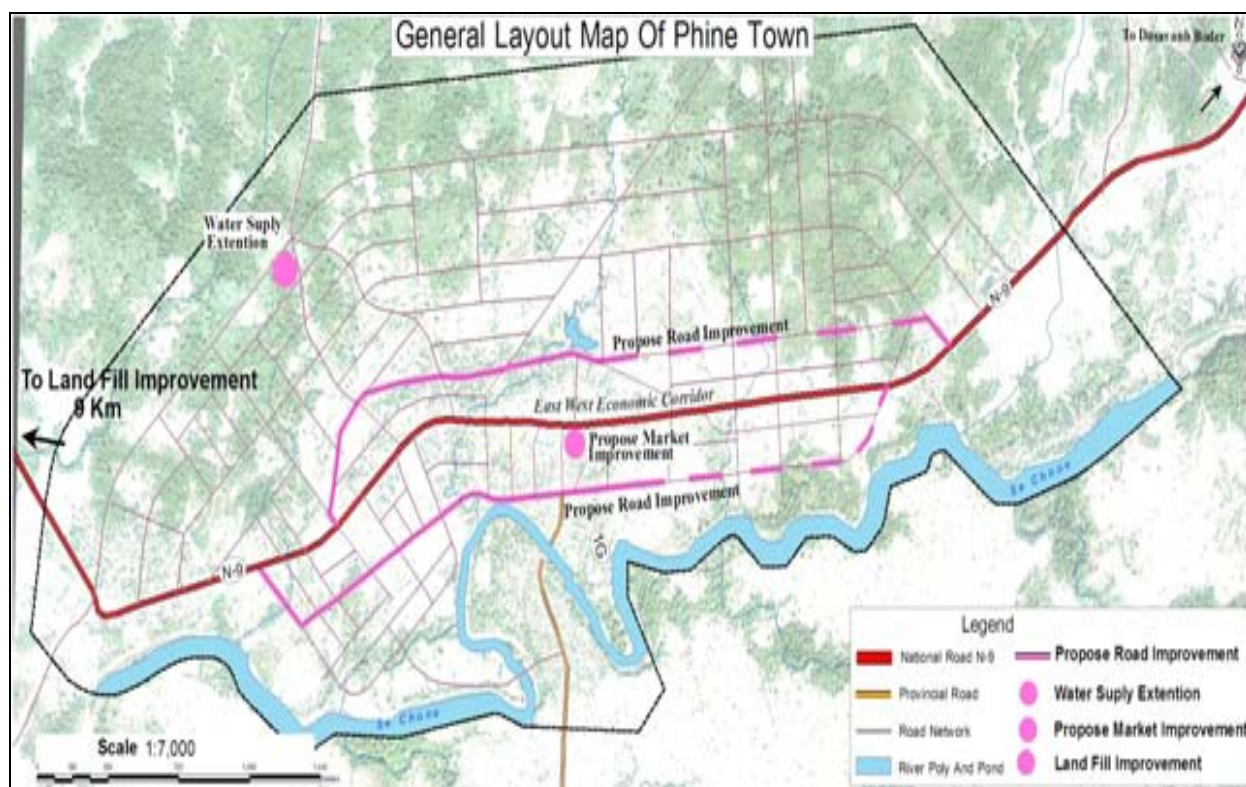
convenient traffic flows of people, goods and services. In addition, the roads will be upgraded so as to enhance the aesthetic features of Phine.

### 2.2.2 Components of the Subproject

32. This priority urban road improvement subproject aims to improve and expand trading and transport services and contribute to communication between villages communities in Phine. The overall objective of subproject is to provide sufficient service and function for traffic including heavy vehicles along NR 9 and provide a bypass to improve access between NR 9 and the public market and transport terminal complex. The specific objectives are: (i) to upgrade and improve traffic facilities in an integrated manner for improved access and transport services; (ii) to construct a bypass adopting proper technical, environmental and drainage design standards; and (iii) to facilitate and encourage interest in development of public private partnership in the operation and expansion investment of development trading programs and transport terminal complex.

33. DDPWT of Phine has proposed two packages of existing roads improvements in the northern and southern communities along NR9, as shown in Figure 3.

**Figure 3 – Layout of Phine Town and Proposed Subproject**



34. The subproject involves the upgrading of existing roads and improvement to the drainage system to provide for all-weather access and reduction in flooding through construction of permanent drainage structures and widening of the existing roads to two lanes. The upgrading works also provide for installation of street lighting, tree planting trees and construction of footpaths.

35. The subproject will improve 9.4 km of road network located on the north and south sides of NR 9 and construct new sections of road to link with NR 9;

- Reconstruction/widening of 5.4 km of existing roads and tracks; and
- Construction of 4.02 km of new road sections including 1.82 km north-west of NR 9, 1.28 km south-west of NR 9 and 0.7 km south-east of NR 9. All new sections of road will connect back to NR 9.

36. All roads subject to works will be wide enough to accommodate an asphalt concrete sealed 7.5m carriageway and 2 x 3m wide footpaths/covered drains. Installation of the drainage system, culverts, street lighting and tree planting will be according to MPWT specifications (2006).

### III. SOCIO-ECONOMIC INFORMATION AND PROFILE

#### 3.1 Impact Area and Affected Households

37. In total the subproject will create impacts in four of the five villages that make up Phine town (in Phine District). The road upgrading subproject will directly affect 109 households (AHs), representing about 10% of the town population. There are 608 affected persons (APs) including 300 males and 308 females as shown in Table 3.1.1. The largest number of AHs (34) is located in Veunhongkham village and the smallest (17) is in Sakhouang.

**Table 3.1.1 – Total Affected Households by Village**

Village	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
Napho	26	3	23	59	74	133
Pasomxai	32	3	29	86	85	171
Sakhouang	17	0	17	52	50	102
Veunhongkham	34	8	26	103	99	202
Total	109	14	95	300	308	608

Source: Phine Inventory of Losses (October 2011)

38. 1. The following description of the characteristics of the AHs is based on the information provided during the census and socio-economic survey undertaken during the IOL. Information has been aggregated to village level (based on the four sections or village groupings being used in the phased implementation), with some data being presented on the basis of gender of head of household, or vulnerability or poverty level, where those factors are relevant.

#### 3.2 Characteristics of Affected Households

##### 3.2.1 Size and Composition of Households

39. Overall 13% of the AHs are headed by women. While there are no female-headed AHs in Sakhouang, in the other three villages the proportion of AHs headed by women ranges from 9% (Pasomxai) to 24% (Veunhongkham).

40. The average size of AHs is 5.6 people, with the smallest households being two-person AHs and the largest consisting of thirteen people with households of ten people or more only in Pasomxai and Veunhongkham.

41. As shown in Table 3.2.1, over a fifth of AHs headed by women comprise two or three people and 7% of female headed AHs are two-person households, AHs of up to three people headed by men account for 12% while 4% are households comprising a couple. Nearly two-thirds of the AHs headed by men (64%) are made up of between four and six people compared with 49% of AHs headed by women. There are no female-headed AHs that are larger than nine people. Households of seven or more people account for 28% of AHs; the largest households (ten or more people) are only headed by men (6%).

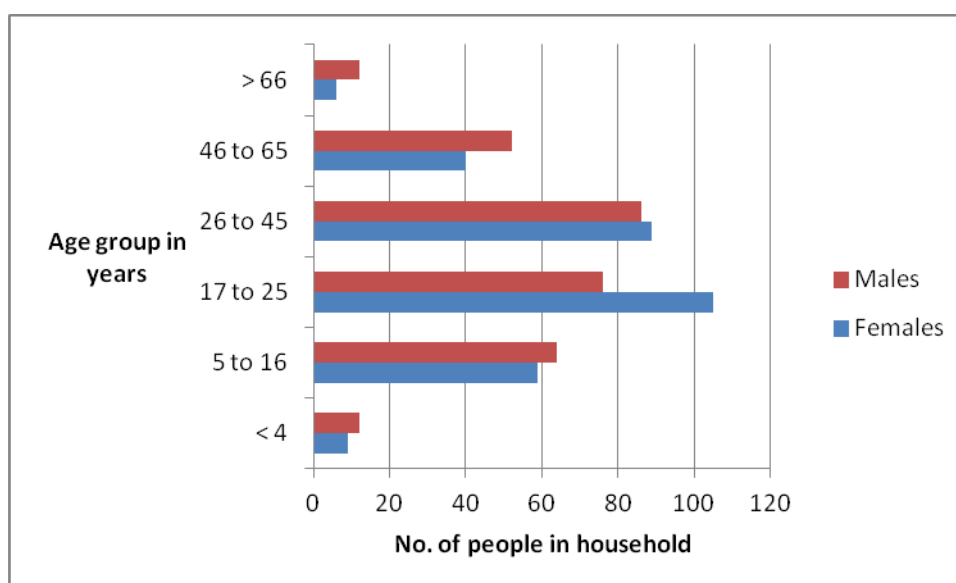
**Table 3.2.1 – Household Size by Sex of Household Head**

Sex of head of household	No. of people in AH									
	2	3	4	5	6	7	8	9	10	11+
Female	7.1	14.3	14.3	14.3	21.4	21.4	0.0	7.1	0.0	0.0
Male	4.2	8.4	20.0	20.0	24.2	5.3	9.5	2.1	2.1	4.2
Total	4.6	9.2	19.3	19.3	23.9	7.3	8.3	2.8	1.8	3.7

Source: Phine Inventory of Losses (October 2011)

42. The overall age distribution of people that make up the AHs is 3% being 66 years or older, nearly three-quarters of all APs being aged between 17 years and 65 years, and 23% being 16 years old or younger. The single largest age cohort is the 17 to 25 year group accounting for 30% of all APs. Graph 3.2.1 shows the age distribution by sex of the survey population, in only two age groups are there larger number of females than males; the 17 to 25 year cohort (which includes 34% of all females and a quarter of all males) and the 26 to 45 year age cohort. There are twice as many males (as females) aged 66 years or older.

**Graph 3.2.1 – Age Distribution by Sex**



Source: Phine Inventory of Losses (October 2011)

43. Some 74% of the AHs are from the Lao-Tai group (23% Lao and 51% Phoutai) and 16% are from the Mon-Khmer group being 10% Makong and 16% Katang. Lao AHs are living

in Pasomxai and Veunhongkham villages, while all 32 of the AHs in Napho village are Phoutai and 94% of the AHs in Sakhouang are Katang.

**Table 3.2.2 – Ethnicity of Affected Households**

Village	AH by Ethnic group (%)			
	Lao	Phoutai	Makong	Katang
Napho	0.0	100.0	0.0	0.0
Pasomxai	34.4	53.1	12.5	0.0
Sakhouang	0.0	5.9	0.0	94.1
Veunhongkham	41.2	35.3	20.6	2.9
Total	22.9	51.4	10.1	15.6

Source: Phine Inventory of Losses (October 2011)

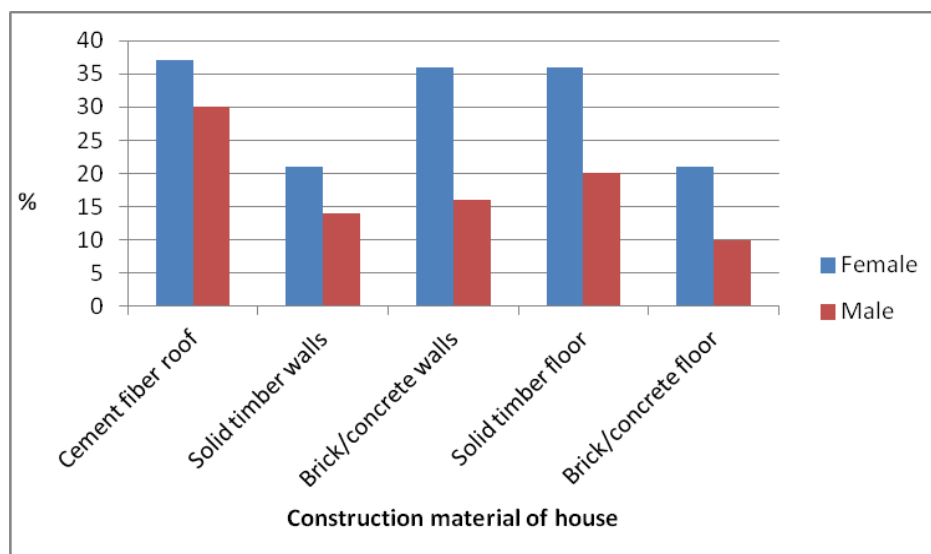
44. Each of the five villages that make up the town comprise at least two, if not three ethnic groups in addition to the Lao population. As noted in Section 1, the non-Lao groups in Phine are urbanized and assimilated in Lao social and economic patterns. Fluency in Lao is very high with all of the respondents to the IOL stating they were both fluent in Lao and literate in Lao.

45. All AHs have title to the residential land they are living on and to the agricultural land they use. They noted they have been living in the town for all of their lives and land has been passed down to them by their parents or other relatives.

46. Some 70% of AHs live in houses with a corrugated iron roof and the remaining group live in houses with a roof of “other” material which includes cement fiber. For two-thirds of AHs their house has wooden walls, 18% live in houses with brick or concrete walls and the remaining 17% are living in houses with simple materials for the walls (such as bamboo or thatch). The floor for 87% of AHs is made from wood or from concrete for 11% of the AHs. Only 2% of AHs live in houses with the floor constructed from simple materials.

47. 2. A larger proportion of AHs headed by women live in a better standard of house (i.e brick/concrete or solid milled timber walls and floor and cement fiber roof) than AHs headed by men, as shown in Graph 3.2.2.

**Graph 3.2.2 – Construction Materials of House by Sex of Household Head**





Source: Phine Inventory of Losses (October 2011)

### 3.2.2 Age, Marital Status and Education of Head of Household

48. As shown in Table 3.2.3, over half (57%) of AHs are headed by a person aged between 31 and 60 years old (with 40% in the 46 to 60 year age group). A small proportion of heads of AHs are either 30 years or younger (10%) or elderly (76 years or older) accounting for 2%.

**Table 3.2.3 – Age of Head of Affected Households**

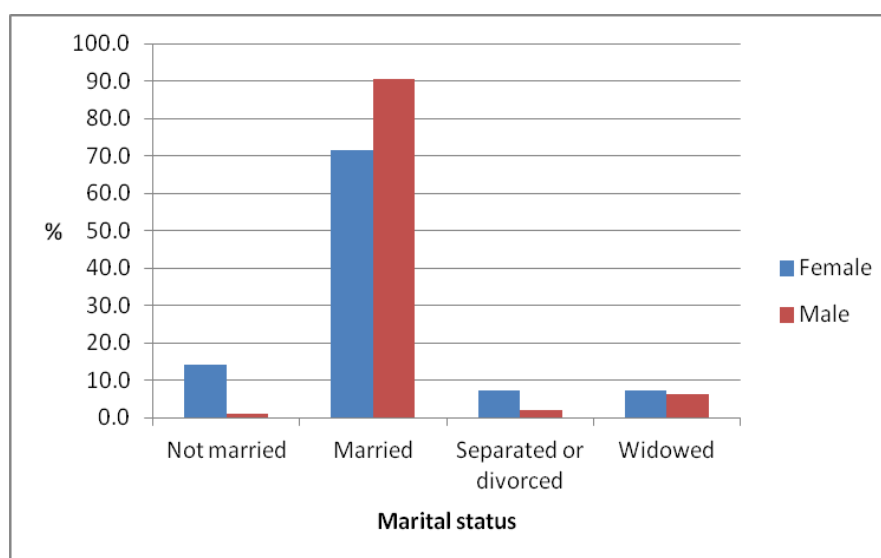
Sex of head of household	Age group in years (%)				
	20 to 30	31 to 45	46 to 60	61 to 75	76 and older
Female	0.0	50.0	42.9	7.1	0.0
Male	11.6	24.2	38.9	23.2	2.1
Total	10.1	27.5	39.4	21.1	1.8

Source: Phine Inventory of Losses (October 2011)

49. Only male heads of household are aged between 20 and 30 years (accounting for 12% of male headed AHs) or elderly (76 years or older) accounting for 2% and there are larger proportions of men (24%) than women (7%) older than 61 years.

50. Most AHs (88%) are headed by a married couple, while the remaining proportion of AHs is headed by a single person by virtue of being unmarried (3%), separated or divorced (3%) or widowed (6%). A larger proportion (29%) of female AH heads, compared with only 9% of male AH heads, are single (Graph 3.2.3). The largest proportion of single female household heads are not married (14%) compared with 1% of male heads of household. While a similar proportion of male and female heads of household are widowed, 7% of female AH heads are separated/divorced compared with 2% of male AH heads.

**Graph 3.2.3 – Marital Status of Head of Household by Sex**



Source: Phine Inventory of Losses (October 2011)

51. Compared with the levels of education of household heads in Dansavan, those in Phine are relatively well-educated with a smaller proportion of AH heads without education and a larger proportion having completed a secondary education. Only 2% have no education,

more than half (56%) have some primary education, 17% have some secondary, and over a quarter (26%) has completed secondary school. Table 3.2.4 shows that while roughly similar proportions of male and female heads of AHs have some primary education (57% females and 56% males), females are generally better educated with 36% of the women compared with less than a quarter of men having a complete secondary school education. Most significantly only male AH heads do not have a formal education.

**Table 3.2.4 – Highest Level of Education**

Sex of head of household	Level of education (%)			
	None	Some primary	Some secondary	Complete secondary
Female	0.0	57.1	7.1	35.7
Male	2.1	55.8	17.9	24.2
Total	1.8	56.0	16.5	25.7

Source: Phine Inventory of Losses (October 2011)

23. The education level of spouses is very different, with 98% of the spouses of male heads of household having no formal education; indicating a large number of women without education.

### 3.3 Livelihoods, Poverty and Vulnerability

#### 3.3.1 Livelihoods and Income Sources

52. 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.

53. Each of the AHs stated they produced at least three quarters of the food their household also consumes.

54. The AHs receive multiple sources of income including from sales of agricultural goods and products (44%), income from daily or casual labor (32%), wages and salary (40%) and some households also receive and a large proportion (42%) also receive income from non-labor sources including remittances and pensions.

55. In terms of the relative importance of the income, a third 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 closely by wages from government/public service (31%) while for 27% of AHs the primary household income came from agriculture. Only a small proportion of households stated that casual or daily labor (4%) or wages from the private sector (3%) was the primary source of income for the household. A much larger proportion of female (57%) than male headed (30%) AHs rely on income from trade or sales. Table 3.3.2 also shows that the AHs headed by men rely almost equally on wages from employment in government, trade/small business, and agriculture, and a larger proportion of households headed by men (a third) compared with households headed by women (14%) stated their primary income was from wages through employment in government agriculture, or from agriculture (30% compared with 7%).



**Table 3.3.2 – Main Income Source for Affected Households**

Sex of head of household	Main source of Income (%)					
	Government	Private sector	Trade, sales or small business	Agriculture	Casual or daily labor	Other
Female	14.3	7.1	57.1	7.1	7.1	7.1
Male	33.0	2.1	29.8	29.8	3.2	2.1
Total	30.6	2.8	33.3	26.9	3.7	2.8

Source: Phine Inventory of Losses (October 2011)

**3.3.2 Income Levels and Poverty**

56. 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.

57. The average household income (all sources) was 2.2 million kip per month and average per capita monthly income was 448,510 kip. The total household income from all sources was divided into income groups, using the poverty line as the threshold for the lowest income group, the remaining households were divided into groups with equal numbers of AHs in each group, as shown in Table 3.3.3.

**Table 3.3.3 – Monthly Per Capita Income Quartiles**

Income group	Monthly per capita income (kip)		
	Minimum	Maximum	Average
1st	78,000	240,000	171,699
2nd	240,001	359,999	320,280
3rd	360,000	559,999	433,932
4th	560,000	2,500,000	974,633

Source: Phine Inventory of Losses (October 2011)

58. The 1<sup>st</sup> quartile includes those households falling below the poverty line (discussed in detail below). The 2<sup>nd</sup> 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 3<sup>rd</sup> and 4<sup>th</sup> 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 4<sup>th</sup> quartile.

59. Poverty is the lack of ability to fulfill basic needs, such as: insufficient food (less than 2,100 calories per day/capita), insufficient clothing or shelter, being unable to meet health or school expenses, and lack of access to transport routes. There can be poverty indicators at the household, village, and district levels; villages can be considered poor based on the proportion of poor households and households without access to schools, health facilities, safe water supply, and roads. A household is considered poor if its monthly income fails to meet the poverty line. In 2009 the poverty line was established based on data from the Fourth Lao Expenditure and Consumption Survey as 240,000 kip per person per month for urban households and 180,000 kip per person per month for rural households.

60. The distribution of households across the income groups (Table 3.3.4) shows that 30% of AHs fall below the poverty line and 24% are in the low income group (2<sup>nd</sup> quartile). A larger proportion of AHs headed by women (36%) compared with 30% of the AHs headed by men fall below the poverty line, and 23% of AHs headed by men and 21% of AHs headed by women are in the highest income group. Based on location, the largest proportion of poor is located in Sakhouang (59%) which is the village located to the north-west and farthest from the town centre, and the largest proportion of AHs in the highest income group is located in Napho.

**Table 3.3.4 – Distribution of AHs across Quartiles**

Sex of AH head and village	Income group (%)			
	1st	2nd	3rd	4th
Female	35.7	28.6	14.3	21.4
Male	29.5	23.2	24.2	23.2
Napho	23.1	15.4	30.8	30.8
Pasomxai	25.0	28.1	18.8	28.1
Sakhouang	58.8	23.5	17.6	0.0
Veunhongkham	26.5	26.5	23.5	23.5
Total	30.3	23.9	22.9	22.9

Source: Phine Inventory of Losses (October 2011)

### 3.3.3 Vulnerability

61. 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.

62. As discussed above some 30% or 33 of the AHs fall below the official poverty line.

63. Excluding those already included in the “poor”; (i) of the single female headed households there is one in the 2<sup>nd</sup> income group (low income) and who has dependants; (ii) there is one household head who is elderly and has little labor or means of support.; and (iii) none of the AHs recorded having members with a disability or long-term illness.

64. In total there are 35 households (32%) that are considered vulnerable by virtue of the foregoing definition. Table 3.3.4 shows the number of households falling into each classification of vulnerability.

**Table 3.3.4 – Vulnerability of Households**

Category of vulnerability	No. of households
Households falling below poverty line	33
Widowed/divorced, low income female headed HH (excl. AHs below poverty line)	1

Households with disabled members (excl. AHs below poverty line)	0
Elderly with no means of support (excl. AHs below poverty line)	1
Total	35

Source: Phine Inventory of Losses (October 2011)

### 3.4 Gender Issues

#### 3.4.1 Gender Issues and Disaggregation of IOL Data

65. 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.”

66. 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. 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.

67. 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.<sup>3</sup> 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.

68. 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 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.

69. 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.

70. 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

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<sup>3</sup> The analysis presented in subproject PSAs also disaggregates the data by poor and non-poor.

resettlement. The following issues have been identified for the Project and are relevant to the households impacted by land acquisition and resettlement in the Project Area (Table 3.4.1)

#### 3.4.2 Gender Awareness in Training Delivery

71. 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 SMMPs.

72. 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.

#### 3.4.2 Gender Sensitive Monitoring

73. 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.

74. A monitoring strategy will be included in the PSAs (in the SMMPs) and monitoring plans are included in each RP, which will vary depending on the scale of impact on individual households and subsequent need for livelihood restoration.

**Table 3.4.1 – Summary of Gender Specific Resettlement Issues**

<b>Gender Issues Identified</b>	<b>Relevance to Affected Households</b>
<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 57% of female headed AHs. Only 14% of female headed households relying on income from regular sources such as wages from government employment.</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 slightly higher education levels for female heads of AHs than male heads of AHs. However, a very large proportion of spouses of male heads of household i.e. 98% of married adult women were recorded as having no formal 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 and agricultural land is affected but not to a degree that requires relocation or identification of suitable alternative productive land.</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 is not created by this subproject.</p>

#### IV. INVOLUNTARY RESETTLEMENT IMPACTS AND LOSSES

##### 4.1 Land: Impacts and Losses

75. The nature of the road upgrading works is that strip acquisition of land will be required, with most AHs losing a small proportion from the frontage of their residential or agricultural plots. Residential land belonging to 103 AHs will be affected, and the agricultural land belonging to 68 AHs will be acquired. In total some 823 m<sup>2</sup> of residential land and 1.54 ha of agricultural land will be affected (Table 4.1.1). Table 4.1.1 – Impacts and Losses of Land

Village	No. of AHs with residential land affected	Area of residential affected (m <sup>2</sup> )	No. of AHs with agricultural land affected	Area of agricultural land affected (ha)
Napho	24	200	24	0.57
Pasomxai	31	192	14	0.20
Veunhongkham	32	312	14	0.54
Sakhouang	16	119	16	0.23
Total	103	823	68	1.54

Source: Phine IOL (October 2011)

76. The impacts are minor with AHs losing in the order of 1%-3% of their total residential land plot and between 2% and 6% of their total area of agricultural land. No AHs will be significantly affected i.e lose 10% or more of their productive or income generating land. No land used for commercial or other purposes will be affected by the works.

##### 4.2 Impacts on Assets

77. The structures of 103 AHs will be affected, being a total of 107 structures including the fences/walls of 103 AHs (being all of those with residential land affected) as well as the ancillary buildings (outdoor pit latrine or outdoor bathroom) of four of those AHs. There are no houses or other substantial structures affected by the works (Table 4.2.1).

**Table 4.2.1 – Structures Affected by Number and Area**

Village	No. of AHs with structures affected	No. of structures affected	Area of structure affected	
			Wall/fence (m)	Outdoor bathroom/latrine (m <sup>2</sup> )
Napho	24	24	275	0
Pasomxai	31	32	346	3
Veunhongkham	32	33	375	3
Sakhouang	16	18	196	6
Total	103	107	1192	12

Source: Phine IOL (October 2011)

78.

79. The impacts on the structures are minor. Fences (1,192 linear meters) can be re-erected and the outdoor bathrooms (12 m<sup>2</sup>) can be re-constructed further back on the same land plots. The impacts on the fences affected amount to removal of 3m to 12m long sections of wooden fence and replacing further back. The fences can be reconstructed in 1-2 days. The

AHs experiencing effects on their latrines/bathrooms are of the view that they can rebuild them in 1-2 weeks.

80. No crops are affected. The trees belonging to 72 AHs will be affected, with 128 fruit trees requiring removal. The affected trees include mango, jackfruit, coconut, tamarind, lemon/lime and bamboo (Table 4.2.2).

**Table 4.2.2 – Trees Affected**

Ward/village	No. of AHs with trees affected	No. of trees affected	No. of trees by type					
			Mango	Jackfruit	Coconut	Tamarind	Lemon/lime	Bamboo
Napho	20	38	12	4	4	6	6	6
Pasomxai	22	36	5	6	5	7	6	7
Veunhongkham	21	40	5	6	6	7	9	7
Sakhouang	9	14	2	3	2	3	2	2
Total	72	128	24	19	17	23	23	22

Source: Phine IOL (October 2011)

#### 4.3 Other Impacts and Losses

81. The works will not affect any community property or resources. There are no livelihood impacts created by the subproject.

## V. CONSULTATION, PARTICIPATION AND DISCLOSURE

### 5.1 General

82. 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
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Inception stage	<ul style="list-style-type: none"> <li>• Identify stakeholders;</li> <li>• Identify key poverty reduction and social development options;</li> <li>• Identify work required (plans for action/mitigation plans, frameworks, or other measures)</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporation of feedback on initial project concepts;</li> <li>• Stakeholder analysis and workshops, confirm who will be involved and how;</li> <li>• Screening of issues</li> </ul>
SLEDPs	<ul style="list-style-type: none"> <li>• Establish levels of participation of stakeholders in current planning;</li> <li>• Prepare socio-economic profiles;</li> <li>• Identify existing opportunities and constraints on urban development</li> </ul>	<ul style="list-style-type: none"> <li>• Key informant interviews;</li> <li>• Focus group discussions;</li> <li>• Data collection - participatory rapid appraisal (PRA) techniques;</li> <li>• Participatory SWOT analysis</li> </ul>
FS	<ul style="list-style-type: none"> <li>• Confirm problem analysis;</li> <li>• Assess needs, demands, and capacities of beneficiaries;</li> <li>• Foster maximum positive impact for women/girls;</li> <li>• Develop appropriate mitigation plans, frameworks or other measures if negative effects are unavoidable</li> </ul>	<ul style="list-style-type: none"> <li>• Data collection – PRA techniques, and household survey;</li> <li>• Willingness/ability to pay survey;</li> <li>• Poverty and gender analysis;</li> <li>• Stakeholder analysis;</li> <li>• Risk reduction options;</li> <li>• Analysis focused on affected persons and/or communities</li> </ul>
Draft RP/PSA preparation and reporting	<ul style="list-style-type: none"> <li>• Detailed identification of risks and impacts;</li> <li>• Ensure social concerns are addressed in designs;</li> <li>• Involve stakeholders in agreement on preferred design;</li> <li>• Maximize poverty reduction and social development impact;</li> <li>• Minimize negative impacts (RP)</li> </ul>	<ul style="list-style-type: none"> <li>• Consultation and PRA (incl. responses to draft PSA);</li> <li>• Analysis;</li> <li>• Review of action/mitigation plans or other measures</li> </ul>
Finalization of RP/PSA, disclosure	<ul style="list-style-type: none"> <li>• Facilitate stakeholder ownership of final design;</li> <li>• Confirm poverty reduction and social development outcomes in project design;</li> <li>• Confirm with government and development partner policies</li> </ul>	<ul style="list-style-type: none"> <li>• Review of design elements based on responses/comments on draft RP/PSA;</li> <li>• Review of project compliance with requirements for action/mitigation plans, frameworks, or other measures</li> </ul>

83. 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

84. 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.

85. 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.

86. 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.

87. 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**

Date	No. of villages where meetings were held	No. of participants
October 2011	4	11
January 2012	2	20
Total	6*	31

Source: PPTA consultation meetings (October 2011/January 2012)

\* It should be noted that meetings were held in the same village on two different occasions. In total four different villages are affected by the subproject

88. 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 31 participants. The main points raised during those consultations;

- There is general support for the project, the AHs are also town residents and can see the benefits of upgrading the road network. They noted they suffer from dust during the dry season and muddy/inaccessible roads during the rainy season;
- Households noted that the wooden or bamboo fences are not important structures, with a number of households noting that these are replaced each year in any case;
- While little detailed information has been provided to date, the people welcome the road improvements. From the discussions they understand the impacts will be minor and that no houses will be affected. Some AHs mentioned that the households to be affected have large land plots and can move the fences or small structures further back without any problem; 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.

#### Summary of Issues Raised

24. The communities and AHs are supportive of the subproject, they note many benefits from improving the roads in the town. 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**

Issue raised	How addressed
Ahs noted that IR impacts will be minor and that no houses will be affected. Some AHs mentioned that the households losing land have large land plots and can move the fences or small structures further back without any problem. Will they get assistance from the Project?	Compensation principles explained – people will receive compensation for structures to be removed (to allow them to be replaced at current market value), land and trees will be compensated at current market rates as determined through consultations and market rates appraisal
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 Project's grievance mechanism for the project explained to AHs
Households noted that the wooden or bamboo fences are not important structures, with a number of households noting that these are replaced each year in any case. Will they be compensated for the fences and walls?	As noted above, fences and walls affected by the subproject will be compensated to allow new fences and walls to be erected further back on the land
The roads should be uniform width (not narrow, wide, narrow) and the potholes should be fixed so access is improved, especially during the rainy season	The proposed cross-section is of uniform width, and will provide adequate drainage (that will help mitigate flooding)

### 5.3 Ongoing Consultations with Communities

89. 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 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. These 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.

90. 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.

91. 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

92. 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.

93. 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. 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.

94. 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

95. 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.

96. 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.

97. 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.

98. 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

99. 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.

100. 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,<sup>4</sup> 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.

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<sup>4</sup> 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).

101. 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	

102. 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.

103. 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.<sup>5</sup>

104. 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.

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

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

107. 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

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<sup>5</sup> The membership of the Provincial Resettlement Committee is discussed further in Section 10.

second instance is for the claimant to present the case at National Court. Access to the courts is obviously a last resort.

108. 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

109. 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.

110. 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

111. 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).

112. 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 land<sup>6</sup> 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);

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<sup>6</sup> 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

113. 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.

114. 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 CTDTP 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.

115. 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

116. 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.

117. 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.

118. 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.

119. 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.

120. 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.

121. 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

122. The national framework for environmental protection (Decree 02/NA)<sup>7</sup> 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,<sup>8</sup> as set out in Decree 112, includes and encompasses SIA.

123. 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.

124. 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.”

125. 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).

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<sup>7</sup> Law on Environmental Protection (No. 02/99/NA, 03<sup>rd</sup> April 1999)

<sup>8</sup> “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).

126. Along with IEEs and EMMPs, Ministry of Natural Resources and Environment (MONRE)<sup>9</sup>, 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.

127. 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

128. 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.

129. 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.

130. 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.

131. 3. 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

132. 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.

133. The key principles of the ADB safeguard policy on resettlement 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;

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<sup>9</sup> 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

134. 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.

135. 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.

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

137. 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. 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.

138. 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.

139. 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.

**Table 7.5.1 – Summary of Gaps and Proposed Measures**

<b>Decree 192 requirements</b>	<b>ADB SPS Requirements</b>	<b>Measures proposed</b>
Definition of severely affected APs (Article 8) is 20% of productive and/or income generating assets affected	Definition of severely affected APs is same as significant impact i.e. 10% or more of productive (income generating assets) affected	ADB standard is adopted and applied in the Project's entitlement matrix
Requires consultation with AHs and stakeholders during RP preparation	Requires consultation with AHs and stakeholders during RP preparation and ongoing during implementation and monitoring	Project's CPP will ensure that adequate and meaningful consultations continue throughout the project cycle

## VIII. ENTITLEMENTS, ASSISTANCE AND BENEFITS

### 8.1 Objectives

140. 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 RF and this 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

141. 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,<sup>10</sup> 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;

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<sup>10</sup> The entitlement matrix includes a wider range of impacts than those likely to be incurred by the priority subproject in Phine and 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

142. The definition of APs and affected households (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.

143. 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.

144. 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.

145. 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

146. 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.

147. 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.

148. 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.

149. 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

150. 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.

151. 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**

152. 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

153. 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.

154. 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.

155. 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

156. 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;<sup>11</sup> and
- Elderly households with no means of support.

157. 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.

158. 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.

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<sup>11</sup> 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.

159. 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
<b>A. LOSS OF LAND OR USE OF LAND</b>				
A.1: PERMANENT loss of RESIDENTIAL or HOMESTEAD land	Land other than productive land belonging to households and/or families	Owner or occupant AH #103	(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 # 68	(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, levelled 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	(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>B. LOSS OF CROPS AND TREES</b>				
B.1: 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 # 72	(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

Impact	Application	Definition of AP	Entitlement	Expected results
<b>C. LOSS OF STRUCTURES AND FIXED ASSETS</b>				
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 # 103	(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
<b>D. ALLOWANCES, ASSISTANCE, AND LIVELIHOOD RESTORATION</b>				
D.1: Impacts on vulnerable APs	Any loss or impact; significant impacts on non-relocating APs	Vulnerable households AH # 35	(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

## IX. BUDGET AND FINANCIAL PLAN

### 9.1 Requirements

160. 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.

161. 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

162. 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.

163. 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 m<sup>2</sup> 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.

164. 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 decorative tree or a productive tree from livelihoods are derived; (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.

165. The official rates obtained from MPWT (Appendix 1) included only structures, therefore rates for land used in this RP are based on those derived from discussions with the Land Department, district officials, and AHs themselves and are considered to reflect current market value.

166. The most current published/official list of compensation rates available from MPWT are dated in a decision of January 2008 but are actually rates from 2002 and 2003 (Appendix 1). The rates obtained during the market rates appraisal undertaken in Phine are provided in Appendix 2.

167. The rates applied for compensation of trees affected by the road subproject 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.

168. For the households that have their bathroom/pit latrine affected, they will be compensated in the order of US\$100 each for installation of a sanitary latrine.

169. The fences will be compensated at the rate derived from the field market appraisal undertaken during the IOL; wooden fence US\$20/m.

170. The discussions to obtain a rate to be used for compensation for land, indicate that the current market value for residential land in Phine is US\$30/m<sup>2</sup> for land located by a main road and US\$10/m<sup>2</sup> for land located by a minor road. Agricultural land is valued based on whether it is irrigated (32 million kip/ha or rain-fed 24 million kip/ha). The rates used in this RP are US\$30/m<sup>2</sup> for residential land and US\$3,000/ha for agricultural land.

171. 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

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

173. 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.



174. 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.

175. 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.

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

#### 9.4 Estimated Cost of Compensation and Assistance

177. The estimated cost of compensating for the land is estimated to be US\$29,280 this includes acquisition of the strips of residential land (US\$24,690) from 103 households and agricultural land (US\$4,590) from 68 households (Table 9.4.1).

**Table 9.4.1 – Cost Estimate for Compensation for Land**

Village	Compensation for land (US\$)		
	Residential land	Agricultural land	Total
Napho	6,000	1,710	7,710
Pasomxai	5,760	585	6,345
Veunhongkham	9,360	1,630	10,990
Sakhouang	3,570	675	4,245
Total	24,690	4,590	29,280

Source: Phine Inventory of Losses (October 2011)

178. Compensating for the structures is calculated as follows: (i) reconstruction of fences and walls (further back on same land); and (ii) construction of a sanitary latrine to replace outdoor latrines to be removed. The cost for compensation of structures is estimated to be US\$24,240 (Table 9.4.2).

**Table 9.4.2 – Estimate of Compensation for Structures**

Village	Compensation for structures (US\$)
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	Fences/walls	Outdoor latrine/ bathroom	Total
Napho	5,500		5,500
Pasomxai	6,920	100	7,020
Veunhongkham	7,500	100	7,600
Sakhouang	3,920	200	4,120
Total	23,840	400	24,240

Source: Phine inventory of losses (October 2011)

179. The estimated cost for compensating for the 128 trees to be removed is US\$3,780, as shown in table 9.4.3.

**Table 9.4.3 – Cost of Compensation for Trees**

Tree (by type)	No. of trees affected	Unit rate (US\$)	Compensation (US\$)
Mango	24	50	1,200
Jack	19	20	380
Coconut	17	50	850
Bamboo	22	30	660
Lemon/lime	23	10	230
Tamarind	23	20	460
Total	128	145	3,780

Source: Phine inventory of losses (October 2011)

180. Based on the provisions of Decree 192, livelihood assistance measures are available, as there are no relocating or significantly affected households, the assistance has been calculated only as support for vulnerable AHs. This is provided as 20 kg rice/person/month for three months, the cost of rice in Phine is 6000 kip/kg equating to 2.016 million kip person household (US\$252) for the average household size of AHs (5.6). For the 35 vulnerable AHs identified in the IOL the cost is US\$8,820.

181. Table 9.4.4 shows the cost of mitigating the IR impacts including contingency (10%) and administration charges (cost of updating and implementing the RP) is US\$80,005 (640 million kip). A detailed cost breakdown is given in Table 9.4.5.

**Table 9.4.4 – Summary of IR Mitigation Costs**

Summary by item	US\$	Kip (000)
Compensation costs (land, structures, trees)	57,300	458,400
Livelihood restoration + allowances	8,820	70,560
Administration charges (implementation) costs (10%)	6,612	52,896
Contingency (10%)	7,273	58,186
Total RP cost estimate	80,005	640,042

Source: Phine inventory of losses (October 2011)

**Table 9.4.5 – Breakdown of Compensation and Livelihood Assistance Costs**

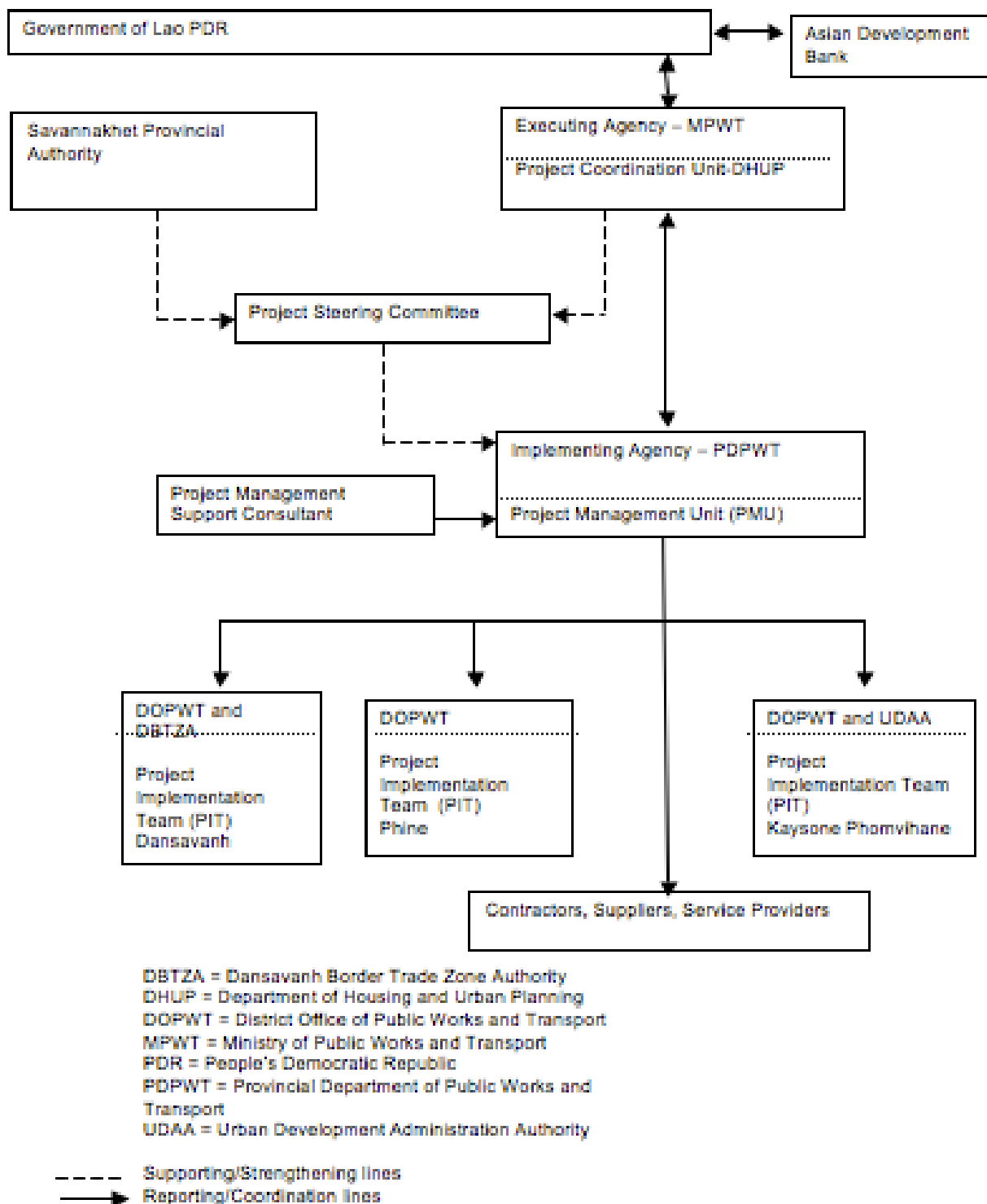
Item No.	Item	Unit	No.	Cost per unit (US\$)	Total US\$	Total Kip (000)
1	Land				29,280	234,240
1.1	Residential land - compensation	m <sup>2</sup>	823	30	24,690	197,520
1.2	Agricultural land	ha	1.53	3,000	4,590	36,720
2	Crops				0	0
3	Trees				3,780	30,240
3.1	Mango	tree	24	50	1,200	9,600
3.2	Jack	tree	19	20	380	3,040
3.3	Coconut	tree	17	50	850	6,800
3.4	Bamboo	tree	22	30	660	5,280
3.5	Lemon/lime	tree	23	10	230	1,840
3.6	Tamarind	tree	23	20	460	3,680
4	Structures				24,240	193,920
4.1	Reconstruct house - timber + CI or CF roof	m <sup>2</sup>		170	0	0
4.2	Reconstruct house - brick/conc.+ CI/CF roof	m <sup>2</sup>		200	0	0
4.3	Rebuilding house	6m <sup>2</sup> /per AP		100	0	0
4.4	Reconstruct kiosk/small shop	m <sup>2</sup>		50	0	0
4.5	Reconstruct latrine	per	4	100	400	3,200
4.6	Fence/wall - wood	m	1192	20	23,840	190,720
5	Livelihood Restoration, Allowances & Other				8,820	70,560
5.1	Relocation allowance - household	AH		150	0	0
5.2	Restoration/transition assistance	AH		504	0	0
5.3	Latrine + services (rebuilt houses)	AH		550	0	0
5.4	Vulnerable AH support	AH	35	252	8,820	70,560
6	Subtotal				66,120	528,960
	Administration charges (10%)				6,612	52,896
	Contingency (10%)				7,273	58,186
	<b>TOTAL</b>				<b>80,005</b>	<b>640,042</b>

Source: Phine inventory of losses (October 2011)

## X. INSTITUTIONAL ARRANGEMENTS

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

**Figure 4 – CTDp Organization Chart**



### 10.1 Executing Agency: Ministry of Public Works and Transport

183. 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.

184. 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 Implementing Agency and Project Management Unit

185. 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 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.

186. 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.

187. 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.

188. The ESMU will support the IA/PMU 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.

189. 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.

190. 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.

191. 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.

192. 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.

193. 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.

194. 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

195. 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. .

196. 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

197. 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.

198. 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

199. 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 CTDTP a PRC will need to be formed.<sup>12</sup>

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

201. As required for the Project, the operational costs of the PRC will be supported by the CTDTP 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.

202. Following precedents set by recent development projects in Lao PDR, the PRC for the CTDTP 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).

203. 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.

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<sup>12</sup> The membership of the PRC should be further discussed and determined by PDPWT and PMU and participating towns.



204. 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;
- 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

205. For effective coordination, management and implementation of the CTD, 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.

#### 10.5.3 Independent Monitoring Organization

206. The CTD 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.

207. For LAO PDR, one IMO can be established for all subprojects to be developed under the CTD 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

208. 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.

209. MONRE will be an observer from the central Government, to ensure that Lao PDR environmental policies are satisfied within the context of the CTD. 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 CTD.

## XI. IMPLEMENTATION SCHEDULE

210. 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.

211. 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.

212. 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.

213. Reflecting the need for a staggered implementation for the subprojects in Savannakhet, assuming detailed design can be finalized in early 2013 for the urban roads subproject in Phine, Table 11.1.1 provides the schedules for the estimated timing for activities required for finalization and implementation of the RP in line with the overall implementation schedule.

**Table 11.1.1 – RP Finalization and Implementation Schedule**

RP Activities	2013				2014				2015				2016				2017				2018			
	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4
Establish Provincial Resettlement Committee	●																							
Commence training for resettlement staff	—		—		—		—		—		—													
Engage Independent Monitoring Organization		●																						
Information, consultation and participation		—		—	—		—		—		—		—		—		—		—					
RP updating and finalization (DMS)	—																							
Submission of Final RP (for ADB concurrence)		●																						
Uploading of Final RP to ADB website		●																						
AP agreements signing		—																						
Allocation of IR/RP budget			●																					
Transfer of budget to PDPWT/PRC			—																					
Payment of award to AP (DRC/VRC)			—																					
Grievance resolution	—		—		—		—																	
Notice to clear ROW				●																				
Relocation of affected structures				—																				
RP compliance monitoring report by IMO				—																				
“No Objection” letter from ADB to start civil works					●																			
Start of construction					→																			
Internal monitoring	●		●		●																			
External Monitoring		●		●		●																		

## XII. MONITORING AND REPORTING

### 12.1 Objectives of Monitoring

214. 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.

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

216. 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

217. Internal monitoring of the implementation of the RPs will be the responsibility of ESMU and PIT. The ESMU, PIT 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.

218. 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 this RP;
- 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.

219. 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.

220. 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

221. 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.

222. 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.

223. 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.

224. 4. Some suggested indicators are included in Table 12.3.1.

**Table 12.3.1 – Indicators for External Monitoring**

Aspect	Indicators
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RP implementation	<ul style="list-style-type: none"> <li>• 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</li> <li>• The level of satisfaction of APs with various aspects of the RP process.</li> </ul>
Consultation, participation, disclosure and grievance redress	<ul style="list-style-type: none"> <li>• Public information dissemination and consultation procedures conform to the process established in the RPs;</li> <li>• 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</li> <li>• 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</li> <li>• Monitor the effectiveness of the grievance mechanism, types of grievances, if and how resolved, and satisfaction of APs with the process.</li> </ul>
Gender issues	<ul style="list-style-type: none"> <li>• The institutional and staffing mechanisms;</li> <li>• Collection and dis-aggregation of gender sensitive data;</li> <li>• Women's representation and participation in the detailed planning and implementation process;</li> <li>• 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;</li> <li>• Delivery of land titles in the names of both husband and wife;</li> <li>• Whether compensation has been delivered to both husband and wife, together; and</li> <li>• The effectiveness of resettlement and livelihoods programs for restoring and developing women's income and living standards.</li> </ul>
Vulnerable groups issues	<ul style="list-style-type: none"> <li>• Assessment of the adequacy of the measures taken to address concerns;</li> <li>• Effectiveness of communication methods used; and</li> <li>• 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.</li> </ul>
Transparency	<ul style="list-style-type: none"> <li>• 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.</li> </ul>

#### 12.4 Evaluation

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

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