Supplementary Appendix to the Report and Recommendation of the President to the Board of Directors on the CENTRAL REGION URBAN ENVIRONMENTAL IMPROVEMENT PROJECT in VIET NAM

Provincial People’s Committees of Ha Tinh, Quang Nam, Quang Ngai, Quang Tri, Thanh Hoa, Thua Thien Hue

This report was prepared by the Borrower and is not an ADB document.

11 November 2003
CURRENCY EQUIVALENTS
(as of 10 May 2003)

Currency Unit  –  Dong (D)
D1.00       =  $0.0000649
$1.00  =  D15,400.00

ABBREVIATIONS

ADB  –  Asian Development Bank
AFD  –  Agence Francaise de Developpement
AP  –  affected person(s)
APPS  –  Awareness and Pro-Poor Sanitation
CMC  –  Community Management Committee
CPC  –  Commune People’s Committee
DOSTE  –  Department of Science Technology and Environment
DMS  –  detailed measurement survey
EA  –  Executing Agency
the Government  –  Government of Vietnam
HH  –  Household
IEE  –  Initial Environmental Examination
IMO  –  independent monitoring organization
IOL  –  inventory of losses
LURC  –  Land Use Rights Certificate
MOC  –  Ministry of Construction
MOF  –  Ministry of Finance
MOLISA  –  Ministry of Labor, Invalids and Social Affairs
NGO  –  nongovernment organization
the Project  –  Central Region Urban Environmental Improvement
PCU  –  Project Coordination Unit
PIA  –  project incremental administration
PIB  –  public information booklet
PMU  –  Project Management Unit
PPC  –  Provincial People’s Committee
PPME  –  program for project performance monitoring and evaluation
PSC  –  Provincial Steering Committee
RC  –  Resettlement Committee
RP  –  Resettlement Plan
SES  –  socioeconomic survey
TPC  –  Town People’s Committee
TRC  –  Town Resettlement Committee
URENCO  –  Urban Environmental Company (also, urban public works company)
WPC  –  Ward People’s Committee
WU  –  Women’s Union
MEASUREMENTS

<table>
<thead>
<tr>
<th>Symbol</th>
<th>Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>ha</td>
<td>hectare</td>
</tr>
<tr>
<td>km</td>
<td>kilometer</td>
</tr>
<tr>
<td>m</td>
<td>meter</td>
</tr>
<tr>
<td>m²</td>
<td>square meters</td>
</tr>
</tbody>
</table>

NOTE

(i) In this report, "$" refers to US dollars.
(ii) In this report, 1 hectare (ha) = 10,000 square meters (m²)
# TABLE OF CONTENTS

## MAP

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. INTRODUCTION</td>
<td>7</td>
</tr>
<tr>
<td>II. SUBPROJECT RESETTLEMENT PLANS</td>
<td>9</td>
</tr>
<tr>
<td>A. Preparation of Subproject Resettlement Plans</td>
<td>9</td>
</tr>
<tr>
<td>B. Subproject Appraisal</td>
<td>10</td>
</tr>
<tr>
<td>III. SUMMARY OF IMPACTS ON LAND AND RESETTLEMENT</td>
<td>11</td>
</tr>
<tr>
<td>IV. DEFINITION OF TERMS</td>
<td>12</td>
</tr>
<tr>
<td>V. LEGAL FRAMEWORK</td>
<td>14</td>
</tr>
<tr>
<td>A. Asian Development Bank Policy</td>
<td>14</td>
</tr>
<tr>
<td>B. Vietnamese Laws and Regulations</td>
<td>14</td>
</tr>
<tr>
<td>C. Type of Land Users In Viet Nam</td>
<td>16</td>
</tr>
<tr>
<td>VI. COMPENSATION POLICY</td>
<td>17</td>
</tr>
<tr>
<td>A. Objectives for Resettlement</td>
<td>17</td>
</tr>
<tr>
<td>B. Principles of Resettlement</td>
<td>17</td>
</tr>
<tr>
<td>C. Eligibility Criteria</td>
<td>19</td>
</tr>
<tr>
<td>D. Compensation Policy for Permanent Loss of Agricultural Land</td>
<td>19</td>
</tr>
<tr>
<td>E. Compensation Policy for Temporary Loss of Agricultural Land</td>
<td>20</td>
</tr>
<tr>
<td>F. Compensation Policy for Residential and/or Commercial Land</td>
<td>21</td>
</tr>
<tr>
<td>G. Secondary Affected Persons</td>
<td>22</td>
</tr>
<tr>
<td>H. Compensation Policy for Loss of Structures</td>
<td>22</td>
</tr>
<tr>
<td>I. Compensation Policy for Loss of Business and Income</td>
<td>23</td>
</tr>
<tr>
<td>J. Compensation Policy for Loss of Crops</td>
<td>24</td>
</tr>
<tr>
<td>K. Allowances During the Transition Period</td>
<td>24</td>
</tr>
<tr>
<td>L. Income Restoration</td>
<td>25</td>
</tr>
<tr>
<td>VII. IMPLEMENTATION ARRANGEMENT</td>
<td>26</td>
</tr>
<tr>
<td>A. Provincial People’s Committee (PPC)</td>
<td>26</td>
</tr>
<tr>
<td>B. Project Advisory Committee (PAC)</td>
<td>27</td>
</tr>
<tr>
<td>C. Project Coordination Unit (PCU).</td>
<td>27</td>
</tr>
<tr>
<td>D. Provincial Steering Committee (PSC)</td>
<td>27</td>
</tr>
<tr>
<td>E. Project Management Unit (PMU)</td>
<td>27</td>
</tr>
<tr>
<td>F. Town/District Resettlement Committee (TRC/DRC)</td>
<td>28</td>
</tr>
<tr>
<td>G. Local Administrative Authorities</td>
<td>28</td>
</tr>
<tr>
<td>H. Local-Based Organizations</td>
<td>29</td>
</tr>
<tr>
<td>I. Project Supervision Consultants</td>
<td>29</td>
</tr>
<tr>
<td>J. Agency Responsible for External Monitoring</td>
<td>29</td>
</tr>
<tr>
<td>VIII. PUBLIC INFORMATION, CONSULTATIONS AND GRIEVANCE REDRESS</td>
<td>30</td>
</tr>
<tr>
<td>A. Objectives of Public Information and Consultation</td>
<td>30</td>
</tr>
<tr>
<td>B. Consultations During Preparation of RP</td>
<td>30</td>
</tr>
<tr>
<td>C. Consultations Proposed During Implementation</td>
<td>32</td>
</tr>
<tr>
<td>D. Disclosure</td>
<td>34</td>
</tr>
<tr>
<td>E. Grievance Redress Procedure</td>
<td>34</td>
</tr>
<tr>
<td>IX. IMPLEMENTATION SCHEDULE</td>
<td>35</td>
</tr>
</tbody>
</table>
X. BUDGET

XI. MONITORING AND EVALUATION

   A. Internal Monitoring
   B. External Monitoring
   C. Monitoring Methodology

ATTACHMENTS:

1. Entitlement Matrix
2. Schedule of Resettlement Implementation and Civil Works
3. Resettlement Budget Estimates
I. INTRODUCTION

1. The Central Region Urban Environmental Improvement Project (the Project) aims to improve the urban environment and enhance human capital in the poorest provinces of the country. Urban sanitation services are not available to the majority of the urban population. The urban poor suffer disproportionately. They tend to cluster together, and often reside in underserved areas where drainage is dysfunctional or nonexistent, access for solid waste collection is limited, sanitation is inadequate, and the environment is polluted due to the practice of open defecation.

2. The Project will cover five provincial towns, and one district town: Thanh Hoa, Ha Tinh, Dong Ha (Quang Tri), Lang Co (Thua Thien-Hue), Tam Ky (Quang Nam), and Quang Ngai. The Project will improve the living conditions, public health, and urban environment for the inhabitants of these towns, while promote economic development through (i) community participation by developing community-based sanitation improvements; (ii) provision of improved urban infrastructure facilities, and services (drainage, waste water, solid waste and roads); and (ii) capacity building and strengthening of local institutions and community groups to manage these systems.

3. The Project will mainly focus on the inner urban parts of the selected towns, although some infrastructure, such as landfill sites and wastewater treatment plants, will be located in commune areas. Civil works plan will be based on: (i) constructing flood protection dykes and flood regulating lakes; (ii) constructing new, or dredging and upgrading existing drainage and sewage systems; (ii) constructing wastewater treatment plants, and installing pumping stations; (iii) improving solid waste collection, transportation and storage; (iv) constructing new, or expanding existing landfill sites; (v) constructing access roads to essential drainage and sewage links or to landfill sites.

4. The main subcomponents of each subproject are as follows:

   (i) **Thanh Hoa.** The subproject focuses on improving drainage and flood protection, installing a wastewater treatment plant, and improving solid wastes collection. It involves drainage improvements covering canal restoration and desilting, construction of 15 km of primary drains, 28 km of secondary drains, and deepening and improving of one moat. A wastewater treatment plant (WWTP) will be constructed together with three pumping stations and sewerage pipelines. A solid wastes landfill (with a buffer zone) will be constructed adjacent to an existing composting facility. A new 1.9 km landfill access road, and about 17 storage waste stations will be built throughout the city.

   (ii) **Ha Tinh.** The subproject focuses on rehabilitating existing drainage system, the construction of drains and canals, upgrading existing flood regulating lakes, and improving solid wastes collection. It involves drainage improvements covering canal upgrading and riverbank protection along 1.6 km of the Cut River, construction of 14 km of primary drains, 23 km of secondary drains, deepening of three regulating basins, and installing one tide gate. A solid wastes landfill (with a buffer zone) will be built adjacent to the existing disposal area. About 2.5 km of the landfill access road will be upgraded, and 10 storage stations will be constructed in the town.
(i) **Dong Ha.** The subproject focuses on drainage and flood protection, and solid wastes improvements. It involves drainage improvements covering construction of drainage canal, construction of 8 km of primary drains, 49 km of secondary drains, and a 2.8 km long dyke/road for flood protection on the existing Ba Trieu road along the Hieu River. A solid wastes landfill (with a buffer zone) will be built adjacent to the existing disposal area. About 3.2 km of the landfill access road will be upgraded, and 12 storage stations will be built throughout the town.

(iii) **Lang Co.** The subproject focuses on drainage and flood protection, wastewater and public sanitation development, and solid wastes improvements. It involves construction of 0.7 km of primary, 27.8 km secondary, and 15.0 km of tertiary drains. A WWTP (including a buffer zone) will be constructed with three pumping stations, 11.8 km of rising main, and one km of access road leading to the WWTP. A solid wastes landfill (with a buffer zone) will be constructed, about 20 km west of Lang Co. About 3.8 km of the landfill access road will be developed, and 14 storage stations will be set up in the service area.

(iv) **Tam Ky.** The subproject focuses on improving drainage and flood protection. It involves constructions of 1.2 km of divert canal in the southeast part of town, drain desilting, 10 km of primary drains, and 31 km of secondary drains, three regulating basins, and 3.0 km dyke/road for flood protection in a densely populated area along the Ban Thach River. Three tide gates, including the rise of a small dam by 1.5 m will be constructed. No landfill will be developed, but 12 storage stations will be provided throughout the town.

(v) **Quang Ngai.** The subproject focuses on drainage and flood protection, and solid wastes improvements. It involves canal rehabilitation and drain desilting, drainage restoration of the citadel area, construction of 12.5 km of primary drains, 24.5 km of secondary drains, deepening of two regulating basins and one moat, and installing of one pumping station. A landfill site (with a buffer zone) will be constructed, along with an upgrading of 2.7 km of the landfill access road, and 12 storage stations set up throughout the town.

5. The level of impact for drainage and sewerage pipes will be determined when detailed designs will be completed during implementation. The community-based sanitation (CBS) component may require some minor land acquisition for the construction of demand-driven projects such as drains, footpaths or solid waste collection units. Community proposals will be evaluated at the time of submission. A resettlement plan (RP) for each proposal will be prepared or revised, and forwarded to Asian Development Bank (ADB) for approval, as required.

6. The resettlement framework (RF) for this project will guide any unforeseen land acquisition and resettlement planning during project implementation, including the CBS program of Part A. The purpose of this RF is to ensure that all APs will be compensated at replacement cost at current market value for their losses, and provided with rehabilitation measures, including transition allowance, so they are at least as well off as they would have been in the absence of the project. This RF has been developed based on information collected from all six Project towns: census, inventory of losses (IOL) surveys, socioeconomic surveys, group discussions with APs, and rapid replacement cost assessment.

7. The policies and principles adopted for the Project have been established based on these surveys, on Vietnamese legislation, and the ADB’s *Policy on Involuntary Resettlement.*
Wherever a gap exists between ADB’s *Policy on Involuntary Resettlement* and Vietnamese law, ADB policy supersedes the provisions of relevant Vietnamese decrees. The provisions and policies of this RF and subsequent RPs for each subproject will form the legal basis for the implementation of resettlement activities in each of the Project towns.

### II. SUBPROJECT RESETTLEMENT PLANS

8. Using this Project RF, an RP for each subproject will be prepared by the concerned implementing agencies. A Project Management Unit (PMU) and resettlement units will be established to work closely with the APs, People’s Committees, local administrative authorities and local organizations. The final RP for each Project town shall be prepared and approved by the Provincial People’s Committee (PPC), and then submitted to ADB for concurrence.

9. A full RP for each Project town has been drafted. A full RP is required when the subproject social assessment identifies significant resettlement effects, and has to be prepared before the appraisal of the subproject. It includes a statement of objectives, policies and strategy, and covers the following: (i) organizational responsibilities; (ii) community participation and integration with host populations; (iii) socioeconomic survey; (iv) legal framework, including mechanisms for resolution of conflicts and appeals procedures; (v) identification of alternative sites and selection; (vi) valuation of, and compensation, for lost assets; (vii) land ownership, tenure, acquisition and transfer; (viii) access to training, employment and credit; (ix) shelter, infrastructure and social services; (x) environmental protection and management; and (xi) implementation schedule, monitoring, and evaluation.

#### A. Preparation of Subproject Resettlement Plans

10. The preparation of a subproject involves community participation, and a multi-dimensional analysis, including a social assessment. In the planning stage of the subproject, the following steps may be followed:

11. **Step 1.** Based on the preliminary subproject design, the subproject will be identified as having one of the following resettlement effects: (i) no resettlement effect, (ii) insignificant resettlement effect, and (iii) significant resettlement effect. Both (ii) and (iii) require preparation of a resettlement plan.

12. **Step 2.** Further refine the subproject physical design by consulting with potential APs and engineers to avoid resettlement effects as much as possible. For example, a realignment and adjustment of the pavement width and alignment associated drainage works may reduce the level of resettlement impact on affected persons.

13. **Step 3.** For subprojects falling under categories (ii) and (iii) above, a census survey of all the potential APs shall be conducted, as part of the social assessment. This includes socioeconomic data of APs, measurement of type, and level of loss. The census survey (or the IOL) establishes the cut-off date for the eligibility of entitlement, and is carried out in the attendance of relevant local authorities. ADB’s *Handbook on Resettlement A Guide to Good Practice* (1998) suggests collecting the following type of data:

---

1 Resettlement effect is significant for each subproject when 200 or more persons will experience major impacts. “Major” impacts being physical displacement from housing and/or loss of more than 20% of the households’ productive (income-generating) assets.

2 The term “resettlement effects” includes the loss of crops and incomes, in addition to physical relocation. While resettlement should be avoided, in cases where it cannot be, the entitlement policy outlined in this RF will apply.
(i) Data about APs: total number of APs:

• Demographic, education, income, and occupational profiles
• Inventory of all property and assets affected
• Socioeconomic production systems and use of natural resources
• Inventory of common property resources if any
• Economic activities of all affected people, including vulnerable groups
• Social networks and social organization
• Cultural systems and sites

(ii) Data on land and the area:

• Map of the area and villages affected by land acquisition
• Total land area acquired for the Project
• Land type and land use
• Ownership, tenure, and land use patterns
• Land acquisition procedures and compensation
• Existing civic facilities and infrastructures

14. **Step 4.** In parallel to AP census survey, consultation with APs will continue to identify their preferences and special needs that should be addressed in the RP. In addition, information on market prices for land, crops, and other assets need to be collected from respective provincial, district, and commune authorities and the local market, so that the cost estimates for the RP can be will be provided.

15. **Step 5.** Prepare an RP. The Entitlement Matrix in this framework (Attachment 1) should be used for each subproject. In addition, specify the number of APs, the size of land affected, the number of other assets affected, and the compensation amount for each category.

16. **Step 6.** Present the draft RP at the public meeting for the subproject. Any comments made during the meeting need to be incorporated into the draft RP.

**B. Subproject Appraisal**

17. One of the criteria for the subproject appraisal is that an RP is prepared, where applicable, in accordance with ADB’s *Policy on Involuntary Resettlement* (1995). The RP must be developed, and the English translation of the RP shall be forwarded by the implementing agency to the ADB for review before subproject appraisal. The social assessment and resettlement census survey for subprojects may identify new categories of APs, and types of loss that are not included in the Entitlement Matrix (Attachment 1). If such new categories are found, then they will need to be updated in the RF and included in the RP by the implementing agency for each subproject.

18. The PPCs will be responsible for approval of the RPs and all resettlement-related issues, including the RF for this Project. After detailed engineering designs are complete, number of APs will be revised, and compensation unit rates will be updated for all categories of lost assets and allowances based on replacement cost surveys during implementation. Following approval by the ADB, the PPC will be responsible for implementing the revised RP. ADB shall not approve any civil works contract for any subproject to be financed from the loan proceeds unless the Government has satisfactorily completed all land acquisition, and resettlement activities, including the establishment of rehabilitations measures.
III. SUMMARY OF IMPACTS ON LAND AND RESETTLEMENT

19. An estimated total of 138 hectares will be lost due to the improvements in drainage and flood protection, wastewater and sanitation, and solid waste infrastructure in the six provinces (Table 1). Approximately 1,100 households, including shops and incomes, will be severely affected, and 1,237 will be marginally affected. The level of involuntary resettlement is severe in landfill areas, wastewater treatment plants, and regulating lakes. The level of impact for drainage and sewerage pipes will be determined when detailed designs will be completed during implementation. The CBS component may require some minor land acquisition for the construction of drains, footpaths or solid waste collection units.

<table>
<thead>
<tr>
<th>Project Town</th>
<th>Permanent Land Acquisition (ha)</th>
<th>No. of Severely Affected HHs</th>
<th>No. of Marginally Affected HHs</th>
<th>Total Impact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thanh Hoa</td>
<td>28.43</td>
<td>237</td>
<td>97</td>
<td>334, 1,470</td>
</tr>
<tr>
<td>Ha Tinh</td>
<td>32.96</td>
<td>209</td>
<td>508</td>
<td>717, 2,796</td>
</tr>
<tr>
<td>Dong Ha</td>
<td>10.35</td>
<td>71</td>
<td>235</td>
<td>306, 1,499</td>
</tr>
<tr>
<td>Lang Co</td>
<td>19.79</td>
<td>184</td>
<td>146</td>
<td>330, 1,782</td>
</tr>
<tr>
<td>Tam Ky</td>
<td>22.09</td>
<td>259</td>
<td>105</td>
<td>364, 1,565</td>
</tr>
<tr>
<td>Quang Ngai</td>
<td>24.43</td>
<td>140</td>
<td>146</td>
<td>286, 1,459</td>
</tr>
<tr>
<td>Total</td>
<td>138.05</td>
<td>1,100</td>
<td>1,237</td>
<td>2,337, 10,571</td>
</tr>
</tbody>
</table>

Source: Inventory of Loss and Socioeconomic Surveys for each Project Town (2003). Note: ha=hectares, No=number, and HHs=households.

20. **Thanh Hoa.** The Thanh Hoa subproject will require acquisition of 12.86 hectares of rice land for the landfill, and 2.96 hectares for the access road. The landfill and access road will cause loss of rice land for approximately 129 households. Although the wastewater treatment plant site has been selected to avoid the need for relocation, the required 11 hectares is rice land and low lying land used for fishing which will severely affect an estimated 99 households.

21. **Ha Tinh.** Close to 209 households will be severely affected by acquisition of land for the Bong Son regulating basin (18 hectares), Cut River canal upgrading and riverbank protection works (8.26 hectares), and the landfill (5 hectares). Some 65 households will lose structures and residential land along the Cut River, and 22 households will be relocated. Options to minimize impacts for relocating households have been investigated, including the possibility of re-establishing houses immediately behind their present location.

22. **Quang Ngai.** The Quang Ngai subproject involves restoration and upgrading of the ancient moat in the citadel area. Proposed maintenance access roads around the moat will necessitate the relocation of an estimated 21 households, of which some 16 are shops. The landfill will require 11 hectares of marginal agricultural land and the relocation of 5 households. Flood alleviation and drainage works will acquire 5 hectares of agricultural land, causing relocation of 2 households, and severely affecting the income of 102 households.

---

3 Severely affected persons for this Project have been defined as (i) those who will physically be displaced and or will lose more than 50% of their main residential or commercial structure, and/or (ii) those losing more than 20% of their productive income generating assets (agricultural landholdings or income sources).
23. **Dong Ha.** The Dong Ha subproject’s flood protection dyke will require acquisition of 2.5 hectares of densely populated residential land, and relocation of 67 households, many of which rely on fishing and/or sand extraction from the Hieu River. Compensation has been paid previously to these households in connection with an earlier development proposal, however, these APs have not yet moved to new sites. Identifying appropriate resettlement sites close to the existing location and ensuring suitable assistance to these APs are critical for their livelihood restoration. The landfill development requires acquisition of some 7 hectares of forestland, which is owned by the Forestry Department.

24. **Lang Co.** The Lang Co subproject will acquire 5 hectares of land for the wastewater treatment plant site, and 9 households will be relocated. One of four wastewater-pumping stations is unavoidably located in an urban area and requires temporary relocation of 24 small traders during construction. Construction of the landfill will relocate 1 household and severely affect 84 households in the area (14 hectares).

25. **Tam Ky.** The Tam Ky subproject’s most significant resettlement impact is from the 2.8 km dyke road for flood protection, requiring acquisition of 2 hectares of densely populated residential land and relocation of an estimated 75 households and 12 shops/businesses. Preliminary consultation with these households indicates that they fully support the Project and prefer to move out of this polluted and annually flooded area. Detailed consultation has been carried out during the preparation of the RP, though IOL and socioeconomic surveys, and group discussions. The proposed divert canal and flood-regulating basins will require acquisition of 19.75 hectares of rice and cropland. Four households will be relocated and some 152 households will be severely affected by land loss.

IV. **DEFINITION OF TERMS**

26. **Affected Persons (APs).** An AP is any person or persons, household, a firm or private institution, who, as of the cut-off date of the Project, or any of its subcomponents or parts thereof, would have their:

   (i) Right, title or interest in any house, land (including residential, commercial, agricultural, forest and grazing land) or any other fixed or moveable asset acquired or possessed or otherwise adversely affected, in full or in part, permanently or temporarily; and/or

   (ii) Business, occupation, work, place of residence or habitat adversely affected, with or without displacement; and/or

   (iii) Standard of living adversely affected.

27. **Compensation.** Compensation means payment in cash or in kind to replace losses caused by the Project of land, housing, income and other assets.

28. **Cut-off Date.** The date that the subproject census is completed during resettlement plan preparation, and the DMS is done once the detailed design of that subproject is completed. The cut-off date of eligibility for entitlement is the date of completion of the IOL survey.

29. **Eligibility.** Any person (s) who, at the cut-off date, was located within the affected area of the drainage and flood protection, wastewater and public sanitation, and solid waste components or subprojects parts thereof, and would have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, agricultural, forest, and grazing land) or any other fixed or moveable asset acquired or possessed or otherwise
adversely affected, in full or in part, permanently or temporarily; or (ii) business, occupation, work, place of residence or habitat adversely affected, with or without displacement.

30. **Evaluation.** Evaluation is assessment at one given point of time of the impact of intervention, and the extent to which stated objectives has been achieved.

31. **Income Restoration.** Income restoration is the re-establishment of income sources and livelihoods of affected people.

32. **Land acquisition.** The process whereby a person is compelled by a public agency to alienate all or part of the land that is owned or possessed, to the ownership and possession of that agency, for public purpose in return for compensation.

33. **Monitoring.** Monitoring means the process of regularly measuring the progress in effectively completing project activities and in achieving the goal and objectives of the project.

34. **Rehabilitation.** Rehabilitation is the process of restoring income earning capacity, production levels, living standards, and social networks in the long-term. Rehabilitation measures are provided in the entitlement matrix as an integral part of the entitlements.

35. **Relocation.** Relocation is the physical movement of an AP from the pre-Project place of residence or business to a new location. May include rebuilding housing assets, including productive land and public infrastructure in another location.

36. **Replacement Cost.** Replacement cost means market value, or its nearest equivalent, plus any transaction costs such as administrative charges, registration and titling costs. Replacement cost for agricultural land will be based on its productive potential and/or on its current market value. Replacement cost of houses and structures will be based on current fair market price of new building materials and labor without depreciation or deductions for salvaged building material. Replacement cost for residential land, crops, trees and other commodities will be at the current market value of these assets. This will ensure that the APs are able to reconstruct houses and other structures of better or at least the same quality as before. In the absence of land markets, the PPC will establish a compensation structure that enables APs to restore their livelihoods to levels equivalent to or better than those maintained at the time of land acquisition and/or resettlement.

37. **Resettlement Effects.** Resettlement effects mean all negative situations directly caused by the Project/subproject, including loss of land, property, income generation opportunity, and cultural assets.

38. **Resettlement Plan.** An action plan that is time-bound with a budget setting out resettlement strategy, objectives, entitlements, actions, responsibilities, monitoring and evaluation.

39. **Severely Affected Person(s).** For this Project, severely affected person is defined as a person who will (i) lose more than 20% of total agricultural or commercial landholding; (ii) be physically displaced, or lose more than 50% of their main residential and/or commercial structure, or whose houses or structures are considered unstable or unviable, and/or (iii) lose more than 20% of their total income sources due to the Project.
40. **Significant Resettlement Effects.** Resettlement effect is significant for each subproject when 200 or more persons will experience major impacts. “Major” impacts being physical displacement from housing and/or loss of more than 20% of the households’ productive (income-generating) assets.

41. **Vulnerable Groups.** Vulnerable groups are distinct groups of people who might suffer disproportionately from resettlement effects, including the poor landless and semi-landless, female-headed, elderly and disabled households. No ethnic minority households were found to be adversely affected by this Project, or any subcomponents thereof.

V. **LEGAL FRAMEWORK**

A. **Asian Development Bank Policy**

42. The objectives of ADB’s *Policy on Involuntary Resettlement* (November 1995), are to avoid involuntary resettlement whenever feasible, to minimize resettlement where population displacement is unavoidable, and to ensure that displaced persons receive assistance so they are at least as well-off as they would have been in the absence of the Project. The policy stipulates three important elements in involuntary resettlement: (i) compensation for lost assets and loss of livelihood and income, (ii) assistance in relocation including provision of relocation sites with appropriate facilities and services, and (iii) assistance with rehabilitation so as to achieve at least the same level of well-being with the Project as before. The policy further specifies that the absence of legal title to land cannot be considered an obstacle to compensation and rehabilitation privileges. All persons affected by the Project, especially the poor, landless, vulnerable, and disadvantaged households should be included in the compensation, transition allowance, and rehabilitation package.

B. **Vietnamese Laws and Regulations**

1. **Laws Relevant to Land Acquisition Procedures**

43. The Land Law of 14 July 1993 and the Decree No. 22/CP of 24 April 1998 are the most important documents forming legal framework for compensation and resettlement in Viet Nam. The Land Law is a comprehensive land administration law, which supersedes the earlier 1987 version. The Land Law gives people access to land through land-user rights, which are similar to private ownership. The Decree No. 22/CP provides legislation regarding resettlement, and Decree No. 145/1998/TT-BTC provides guidelines for the implementation of this Decree. It concerns compensation levels and other allowances for land and structures acquired for the national and public interest. There are a number of other laws, regulations, and decrees that are relevant to land acquisition and resettlement. The most important of these are as follows:

(i) The Constitution of the Socialist Republic of Viet Nam, 15 April 1992;


(iii) Decree No. 87/CP, 17 August 1994, regulation on price framework for land categories and compensation for losses when state recovers land;

(iv) Decree No. 60/CP, 5 July 1994, regulation on property ownership and the right to use urban residential land;

(v) Decree No. 45/CP, 3 August 1996, regulation on allowing land use rights to those non-eligible under Decree No. 60/CP;

(vi) Decree No. 64/CP, 27 September 1993, regulation on transferring agricultural land to households for long-term use;
(vii) Decree No. 89/CP, 17 August 1994, regulation on collection of land tax levies in provision of certification of use right for residential and commercial land;
(viii) Decree No. 91/CP, 17 August 1994, regulation on management of urban planning;
(ix) Decree No. 17/ND-CP, 4 May 2001, regulations on management and utilization of overseas development assistance;
(x) Decree No. 90/CP, 17 August 1994, regulation on price framework for land categories and compensation for losses when the State recovers land being used on a temporary basis, as covered by an agreement entered into prior to 1993 and is still effective;
(xi) Decree 52/CP, 8 July 1999, regulation on investment and construction management, including the requirement for getting a resettlement plan appraised together with the feasibility report of an investment project; and 
(xii) Circular No. 5-BXD/TT, 9 February 1993, regulations on building classifications.

44. With promulgation of the Decree No. 22/CP, the Government has issued legislation regarding resettlement, which closely approaches the principles of ADB’s Policy on Involuntary Resettlement. The main issues regarding Decree No. 22/CP are:

(i) New stipulations, proven appropriate with ADB and other development partners, were added to accommodate with major changes in compensation unit prices, objects to be affected, assistance levels, et cetera, in Viet Nam since 1993;
(ii) General provisions were provided for compensation processes and procedures to all organizations and individuals who need to acquire land;
(iii) Responsibilities of government agencies have been assigned concerning the implementation of the Decree; and 
(iv) Organization and implementation have become the responsibility of the provincial authority, which must create a compensation and evaluation council with representatives from various services, ministries, and affected persons.

45. However, there still exist differences between Vietnamese regulations and ADB’s Policy, which are mainly related to compensation policy applied for illegal land users and the main compensation principle (replacement cost) for affected assets. Table 2 presents the main areas of discrepancies between Decree No. 22/CP and ADB’s Policy.

<table>
<thead>
<tr>
<th>Table 2: Discrepancies Between Decree No. 22/CP and ADB Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Decree No. 22/CP</strong></td>
</tr>
<tr>
<td>Article 7: Any person whose land is recovered and who has not</td>
</tr>
<tr>
<td>met one of the conditions of Article 6, or who has violated</td>
</tr>
<tr>
<td>the plan, or who violates the protecting corridor work, or</td>
</tr>
<tr>
<td>who illegally occupies land shall not receive compensation</td>
</tr>
<tr>
<td>when the state recovers the land. In case of necessity, the</td>
</tr>
<tr>
<td>PPC shall consider and decide on a case-by-case basis.</td>
</tr>
<tr>
<td>Article 8: The compensation rates shall be determined on the</td>
</tr>
<tr>
<td>basis of local prices for land issued according to the provisions of the Government, and then multiplied by a</td>
</tr>
<tr>
<td><strong>Project Policy</strong></td>
</tr>
<tr>
<td>Article 8: The compensation rates shall be determined on the</td>
</tr>
</tbody>
</table>
coefficient to ensure the compatibility of the compensation with the profitability and the price of the assignment of the land use right in the community.

<table>
<thead>
<tr>
<th>Article 17: The total maximum level of compensation shall not exceed 100% and the minimum level shall not be lower than 60% of the value of the house or construction, priced according to the construction price for new buildings with technical standards equivalent to the affected.</th>
<th>Compensate all affected persons, including those without title to land, for all of their losses at replacement rates.</th>
<th>Full compensation at replacement cost will be paid for all affected structures based on current fair market price of new building materials and labor without any deductions for salvageable materials and labor or depreciation.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Article 18: People without legal permit of construction shall only receive 80% in compensation rural areas and 70% in urban areas. People who violate zoning area shall be forced to dismantle it.</td>
<td>All affected persons will be entitled to compensation irrespective of the legal status in both rural and urban areas.</td>
<td>Full compensation at replacement costs will be provided for all affected structures, based on current fair market price of new building materials and labor without any deductions for salvageable materials and labor or depreciation, and irrespective of legal entitlement.</td>
</tr>
</tbody>
</table>

46. To adapt Decree 22/CP and other Vietnamese regulations related to compensation and resettlement into the local conditions, provincial legislation on land acquisition, compensation and resettlement is also considered and incorporated into the Project policies and principles.

C. Type of Land Users In Viet Nam

47. There are four (4) types of land users in Vietnam:

1. Land Users with Permanent Land Use Rights

48. The right for APs to use land permanently comes in the form of a LURC issued by the district or town authority, which has the power to grant land use rights. Land users with permanent land use rights include those ‘legal’ and ‘legalizable’ land users. Legal land users are those with LURCs, and legalizable land users are those who are awaiting LURC approval by the Town authority. These users have documents to support such status.

49. APs with legal and legalizable land use rights have full title to the land and will be compensated accordingly. This category of APs will also include those who are in the process of obtaining permanent land use rights and who have documents to prove such status. These families have applied for a permanent LURC. Pending issuance, the PPC will have issued a temporary certificate. It usually takes several years before an LURC can be issued. In the meantime the land users are considered legal occupants with the same rights as permanent legal occupants and they will be compensated accordingly.

50. Conditions for APs to be legalized with a permanent LURC include: APs use the land stably before the IOL survey, land in urban areas has to conform to the Town Master Plan at the date when APs obtain it, and the land is not disputed. The ward or commune authority will confirm the above two conditions.

2. Land Users with Temporary/Lease Land Use Rights

51. This category includes those who occupy land temporarily or on a leased-basis allocated to them by the ward or commune authority with written permission or a signed contract. APs
may have temporary land use rights for an indefinite period, the validity of which can be extended. Tax is paid for crops but not for land. They may have cultivation land elsewhere with a permanent LURC and cannot be legalized as a legal permanent land user.

52. Temporary land users also include those who lease the land on a contract basis for a certain period, paying leasing fees. The duration of leased contracts varies widely. Such APs cannot be legalized as legal permanent user.

53. These APs are entitled to cash compensation for loss of standing crops and trees at market prices, rehabilitation package, and either (i) cash compensation for lost income from the affected land for the remaining lease or assigned period, or (ii) cash assistance or replacement land at 30% of the replacement costs of the affected land, whichever is higher, according to Decree No. 22/CP (Article 9).

3. Land Users Without Permanent or Legalizable Rights to Use Land

54. This category includes those who do not have land use rights, and deliberately occupy communal/public land or encroach on the safety areas of public works (right of way, dykes, power lines) for the purpose of housing or commercial use after being warned not to encroach. They are identified as illegal land-using APs. They are not entitled to compensation for land, but will be compensated for their lost assets and rehabilitated as all other APs. Poor and vulnerable households will also be allocated use rights to replacement land and rehabilitation assistance to ensure that they are able to restore, if not improve their income levels and living standards.

4. Land Users or Management Organizations

55. Land users or land management organizations are Commune People’s Committees (CPCs) or public organizations. They manage and operate land, or give it to an individual, organization, or private firm for temporary use in form of temporary land use right or leased contract. If the recovered land belongs to the commune public land fund, or to the communal land, then cash compensation will be paid to the commune. In case of temporary land allocation by commune, 70% of the remaining value of the affected land will go to the commune budget, after 30% is paid directly to APs.

VI. COMPENSATION POLICY

A. Objectives for Resettlement

56. The objectives of the Vietnamese legislation governing the resettlement and rehabilitation of displaced persons, and of ADB’s Policy on Involuntary Resettlement have been adapted for the preparation of the RPs for each of the towns in the Project. The main objective of the RP is to ensure that populations affected by the Project should be at least as well off, if not better off, than they would have been without the Project. Affected populations should be able to maintain and preferably improve their standard of living and quality of life. The policies and principles adopted for the Project supersede the provisions of relevant decrees currently in force in Viet Nam wherever a gap exists between ADB’s Policy on Involuntary Resettlement and Vietnamese law.

B. Principles of Resettlement

57. The following basic principles have been adopted for the Project:
(i) The populations affected by the Project are defined as those who may stand to lose, as a consequence of the Project, all or part of physical and nonphysical assets, including homes, homesteads, productive lands, commercial properties, tenancy, income-earning opportunities, social and cultural activities and relationships, and other losses that may be identified during the process of resettlement planning.

(ii) Land acquisition and involuntary resettlement has been, and will continue to be minimized by identifying possible alternative project designs, and appropriate social, economic, operational and engineering solutions that have the least impact on populations in the Project area.

(iii) The cut-off date for compensation eligibility for physical assets affected by the dyke road, regulating basins, and canals, is the date when the IOL survey (or census) was completed during the resettlement planning process.

(iv) A census and DMS, baseline socioeconomic survey, and a replacement cost survey will be carried out for all subprojects after detailed design is completed. A replacement cost survey should also be conducted for each subproject to advise the PPC on compensation rates based on market value.

(v) All affected populations will be entitled to be compensated for their lost assets, incomes and businesses at full replacement cost and provided with rehabilitation measures sufficient to assist them to improve or at least restore their pre-Project living standards, income levels and productive capacity.

(vi) All affected populations will be equally eligible for compensation and rehabilitation assistance, irrespective of tenure status, social or economic standing, and any such factors that may discriminate against achieving the objectives outlined above.

(vii) Special measures will be included in the RP to protect socially and economically vulnerable groups (e.g., female-headed households, the disabled, children, and the elderly people) with or without support structures. People living in poverty will be provided additional assistance as required during the relocation and transition periods, including rehabilitation measures.

(viii) In the case of population relocation, efforts shall be made for the existing social and cultural institutions of the people being resettled and host community to be maintained to the extent possible. Previous level of community services and resources will be improved after resettlement.

(ix) Preparation of the RP, as part of the subproject preparation, and their implementation are to be carried out with the full participation of affected people. APs’ comments and suggestions will be duly taken into account during the design and implementation phases of the RP.

(x) Adequate budgetary support will be fully committed and be made available to cover the costs of land acquisition, resettlement and rehabilitation within the agreed implementation period.

(xi) The executing agency will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation and implementation of the land acquisition, compensation, resettlement, and rehabilitation program.

(xii) There will be effective mechanisms for hearing and resolving grievances during the implementation of the RP.

(xiii) ADB shall not approve of any civil works contract for any subproject to be financed from the loan proceeds unless the Government has completed satisfactorily and in accordance with the approved RP for that subproject.
compensation payment and relocation to new sites, and ensured rehabilitation assistance is in place prior to obtaining possession and rights to the land. 

(xiv) Detailed RP for implementation will be translated into the local language and placed in project and commune offices for the reference of affected people as well as any interested groups. 

(xv) Appropriate reporting, monitoring and evaluation mechanisms will be identified and set in place as part of the resettlement management system. Evaluation of the land acquisition process and the final outcome will be conducted independent of the executing agency.

C. Eligibility Criteria 

58. Any person (s) who, at the cut-off date, was located within the affected area of the drainage and flood protection, wastewater and public sanitation, and solid waste components or subprojects parts thereof, and would have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, agricultural, forest, and grazing land) or any other fixed or moveable asset acquired or possessed or otherwise adversely affected, in full or in part, permanently or temporarily; or (ii) business, occupation, work, place of residence or habitat adversely affected, with or without displacement (Appendix 1 for an Entitlement Matrix).

59. Persons who encroach into the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance. However, those persons who have land, houses and/or other assets or properties lost legally due to the land acquisition caused by the Project or by its subcomponent, but are identified after the cut-off date, as the consequence of the change in or delayed availability of detailed technical designs, will be eligible to full entitlements provided by the RP, equal to the legal APs listed in the IOL survey.

D. Compensation Policy for Permanent Loss of Agricultural Land 

1. Land Users with Permanent or Legalizable Use Rights 

60. Persons who will have their agricultural land permanently affected and/or lost, are either:

(i) **Marginally Affected Persons.** Marginally affected persons are those who will lose less than 20% of their total agricultural landholdings. They are entitled to: (a) cash compensation for acquired land at full replacement cost; **AND** (b) cash compensation for loss of crops and trees at market prices, **OR**

(ii) **Severely Affected Persons.** Severely affected persons are those who will lose 20% or more of their total agricultural landholdings. APs will be free from taxes, registration, and land transfer fees. They are entitled to: (a) as a priority, land-for-land arrangements with full legal title to land of equivalent productive capacity at a location accepted to APs, **OR**, cash compensation for loss of land at full replacement costs; **AND** cash compensation for loss of crops and trees at full replacement costs; **AND** subsistence allowance, and rehabilitation assistances. If the remaining land is not economically viable, the APs have the option to continue use of the remaining land, or sell it to the Project at replacement cost.
2. Land Users with Temporary or Lease Land Use Rights

61. APs are compensated for crops lost and receive compensation for their investment in the land. These APs are entitled to cash compensation for loss of standing crops and trees at market prices, rehabilitation package, and either (i) cash compensation for lost income from the affected land for the remaining lease or assigned period, OR (ii) cash compensation or replacement land at 30% of the replacement costs of the affected land, whichever is higher. If the remaining land is not economically viable, APs have the option to either continue using the land remaining in keeping with the owner’s agreement, or sell it to the Project at 30% of replacement cost. Poor and vulnerable households, including landless APs, will be entitled to (i) assistance by the local authority to obtain land of an area equal to the minimum standard size, with full legal title to land, AND/OR (ii) transition allowance and rehabilitation measures, including social assistance allowance, job training and training allowance for its working member(s). APs will be free from taxes, registration, and land transfer fees.

3. Land Users Without Permanent or Legalizable Rights to Use Land

62. There were no land users without permanent or legalizable rights to use land found during Project preparation. However if any affected household is found during implementation, they will be entitled to compensation for crops and trees at full replacement costs at current market prices. They will not be compensated for land, but will receive assistance corresponding to the investment in the land. Poor and vulnerable households, including landless APs, will be entitled to (i) assistance by the local authority to obtain land of an area equal to the minimum standard size, with full legal title to land, AND/OR (ii) transition allowance and rehabilitation measures, including social assistance allowance, job training and training allowance for its working member(s). APs will be free from taxes, registration, and land transfer fees.

4. Land Users or Management Organizations

63. If the recovered land belongs to the commune public land fund, or to the communal land, then cash compensation will be paid to the commune. In case of temporary land allocation by commune, 70% of the remaining value of the affected land will go to the commune budget, after 30% is paid directly to the APs. Affected persons will be compensated directly for any affected crops and trees at full replacement costs at current market prices.

E. Compensation Policy for Temporary Loss of Agricultural Land

(i) 64. Affected persons may face temporary loss of agricultural land during the construction period, which may be less than one year. All APs will be compensated for (i) the loss of crops and trees at current market prices, AND (ii) the loss of net income from subsequent crops that cannot be planted for the duration of project temporary use, AND (iii) land restoration to its previous or better quality by providing measures to improve land quality in cases of land being adversely affected or acidified.

65. If disruption is more than one (1) year, APs who are legal, permanent and temporary/lease users of land, have the option to (i) continue the temporary use arrangements; or (ii) sell affected land to the Project at full replacement costs in accordance with land use categorizations, as previously defined: (a) at full replacement costs, OR (b) at 30% of the replacement cost, OR (c) at full replacement costs of which 70% goes to the commune budget.

---

4 This remaining land then will be transferred by the project to local land use/management organizations.
after 30% is paid directly to the APs. Poor and vulnerable households, including landless APs, will be entitled after one (1) year to (i) assistance by the local authority to obtain land of an area equal to the minimum standard size, with full legal title to land, AND/OR (ii) transition allowance and rehabilitation measures, including social assistance allowance, job training and training allowance for working member(s). APs will be free of taxes, registration, and land transfer fees.

F. Compensation Policy for Residential and/or Commercial Land

66. If there are no structures on the residential and/or commercial land, then cash compensation will be paid at full replacement cost of the affected area. If relocation is required, then legal and legalizable APs with permanent land-use rights to affected land will be entitled to (i) stay and rebuild their structures on the remaining land if viable⁵, OR (ii) opt for relocation. APs will be free from taxes, registration, and land transfer fees.

67. Reorganizing Affected Persons. APs losing residential and/or commercial land with structures built thereon, with sufficient land remaining to rebuild their structures, will be entitled to the following provisions:

(i) Compensation in cash or kind for affected area. APs will receive the balance of land quantity in cash between the standard plot size and the remaining land;

   AND

(ii) Compensation for the affected structure at full replacement cost;

   AND

(iii) Transition allowance and rehabilitation measures, including a subsistence allowance, transportation allowance, incentive bonus, and if sources of income are affected, training allowance;

   AND/OR

(iv) If reorganizing APs are businesses or shops, then they will be entitled to business transition allowance.

68. Relocating Affected Persons. APs who have no viable remaining land, may opt for relocation. Relocating APs who prefer to move to another site instead of a resettlement site, will be paid cash compensation for land at full replacement cost at current market value. They will have the choice of one of the following options:

(i) Relocation to an Individual Resettlement Site

   (a) Land-for-land compensation with full title to a plot of land of equal area and quality (not less than the standard plot size) at an individual location or in small groups together with several other APs from the municipality;

   AND

   (b) Compensation for affected structures at full replacement cost,

   AND

   (c) Sufficient support to develop their own access road, water, drainage, electricity if available, and land filling at replacement cost;

   AND

   (d) Transition allowance and rehabilitation measures, including: living, transportation, and incentive bonus allowances;

   AND/OR

   (e) Business transition allowance, if the relocating AP is a business, OR

(ii) Self Relocation

⁵ “Viable” means an area of adjoining residential and garden land sufficient for the reconstruction of a house large enough to provide the AP with acceptable living conditions. The minimum plot for determining reorganization will be equal to, or more than, the legal standard plot size for each Project town. “Viable” also refers to the stability of the structure itself, after the proportion of the structure is acquired for the Project. A threshold of 50% has been used to help in assessing the level of impact.
(a) Cash compensation at full replacement cost for their legal affected land and structures, if they prefer to make their own arrangements; AND
(b) Transition allowance and rehabilitation measures, including living, transition, and incentive bonus allowances, AND/OR
(c) Business transition allowance, if the relocating AP is a business.

69. **Temporary or Leased Land Users.** APs who are temporary or leased land users are eligible for the same entitlements as other APs who will be relocating. However, if APs with temporary or leased land users decide to self-relocate, they will be paid cash compensation equal to 30% of the replacement cost for the residential land at the affected site. The remaining provisions, including house rent, transition allowance and rehabilitation measures will apply. If the impact is marginal, then the AP will be entitled to cash assistance at 30% of the replacement cost of the affected area. Cash compensation for affected structures at full replacement costs will be provided.

70. **Affected Persons without Legal or Legalizable Rights.** Affected persons will not be entitled to cash compensation for acquired land, but will be entitled to:
   (i) Relocation to a standard size plot (not less than the standard plot size) on a fully serviced group site, or to an individual resettlement site with sufficient cash, at replacement cost, to development their own access road, water, electricity and land filling, AND
   (ii) Compensation for affected structures at full replacement costs; AND
   (iii) Transition allowance and rehabilitation measures, including living, transportation, incentive bonus allowances, and training assistance.

G. **Secondary Affected Persons**

71. This applies to those affected by borrow areas needed for construction or for individual resettlement or group resettlement sites. Because all secondary APs are likely to be affected through loss of agricultural land, they will be entitled to compensation and rehabilitation assistance in accordance with the same provisions for all other APs.

H. **Compensation Policy for Loss of Structures**

1. **Loss of Structures**

   (i) 72. This applies to three types of APs having houses or structures affected by the project in recovered areas: (i) APs who have written or verbal permission to build their houses or structures (legal owners); (ii) APs without building permission for their houses or structures. This category includes those owners, at the moment of constructing their houses or structures, they were given written or verbal notice by local authority to stop building; and (iii) APs leasing a house and/or land.

   73. **Totally Affected Houses or Structures.** APs losing structures will be entitled to:
   (i) Cash compensation for all affected structures at full replacement cost for materials and labor, with no deductions made for depreciation or salvageable materials. Compensation will be provided regardless of whether or not they have title to the affected land or permit to build the affected structure. The amount will be sufficient to rebuild a structure the same as the former one at current market prices; and
(ii) The calculation of rates will be based on the actual affected area and not the useable area.

74. **Partially Affected Houses or Structures.** For partially affected houses or structures that can be used further, the APs will receive cash assistance, in addition to the compensation for the actual part lost, for repairing the house to at least equal to previous or better conditions.

75. **Tenants or Lessees of Houses.** Tenants or lessees are entitled to the following:
   
   (i) Six (6) months of rent allowance; **AND/OR**
   
   (ii) Assistance in finding a new, affordable rental accommodation; **OR**

   (iii) Continue residing, and agree with the house owners about conditions of their remaining tenancy agreement. Owners of house or structures will be entitled to receive entitlements as described above.

2. **Loss of Graves**

76. The level of compensation for the removal of graves will be for all costs of excavation, relocation, and reburial. Cash compensation will be paid to each affected household as per the quality and materials used in the construction (e.g., earth graves versus brick graves). Graves will be relocated according to the preference expressed by APs.

I. **Compensation Policy for Loss of Business and Income**

1. **Loss of Business or Income**

77. **Permanent Loss.** APs losing commercial land will receive a special business rehabilitation allowance not less than D1,800,000 be assist in getting a kiosk (of average size) with full land title in the resettlement site market or find a location elsewhere suitable for business. APs losing their business due to relocation will be given priority in obtaining and/or leasing a kiosk in the resettlement market. Those APs who will have to shift to another activity due to relocation, will be entitled to training/retraining assistance and a training subsistence allowance. APs will also be entitled to receive transportation and incentive bonus allowances.

78. **Temporary Loss.** APs losing small businesses that are not registered, such as small shops, are entitled to cash compensation for the duration of the business or income-generated disruption, based on the minimum wage per month in the respective province. Those losing small businesses that are registered and can provide official financial documents and statements are entitled to a special business rehabilitation allowance; **OR** business rehabilitation allowance equal to the AP’s monthly average net income of the affected business based on their business license and tax, but not less than the business rehabilitation allowance. Compensation will be provided for the duration of the business or income-generated disruption based on net income. If the AP does not get a location to continue business, then affected person (s) will receive a training package, as indicated above.

2. **Loss of Employment or Hired Labor**

79. The following should be followed in case any APs of this category are found during implementation.

80. **Permanent Job Loss.** APs experiencing permanent job loss due to relocation of business are entitled to (i) cash compensation for six (6) months salary or wages, **OR** cash
compensation for the remaining period of the contract, whichever is higher; AND (ii) to severance pay for employees, as encouraged by the Project to the businesses; AND (iii) assistance in securing new employment, including relevant skills training expenses if required.

81. **Temporary Job Loss.** APs experience temporary job loss while business is reorganizing within remaining land are entitled to cash compensation for last salary or wages for each month they cannot work, or assistance in securing new employment, including relevant skills training expenses if required.

**J. Compensation Policy for Loss of Crops**

82. **Annual Crops.** Cash compensation for annual crops is paid to households who are cultivating the land according to the full market value of the affected crops, irrespective of land ownership.

83. **Perennial Crops/Plants.** Cash compensation for affected perennial plants is paid to households who are cultivating the land according to the full market value of the affected crops/plants, irrespective of land ownership. If a tree is not productive yet, then compensation includes all initial investment and care of the tree up to the date of land acquisition. If a perennial crop/plant can only be harvested once, then the compensation will include the total cost of investment and care until the time of land acquisition. For particular, perennial crops/plants/trees, replacement cost is based on tree’s age, shape, perimeter, and yield. Compensation is paid only to private owners, as public trees are not compensated.

**K. Allowances During the Transition Period**

84. Transition allowances will be provided to support severely affected households during relocation or readjustment. The following allowance amounts are indicative only, and will be adjusted to account for inflation at the time of compensation. Table 3 summarizes the entitlements for allowances during the transition period.

85. **Subsistence Allowance.** All relocating APs and severely affected farmers will be entitled to a subsistence allowance in cash equal to D200,000 per month per person. APs who will lose part or all of their house, or have to rebuild their house will also be entitled to subsistence allowance for 3 months if the household rebuilds its house in their remaining land, OR for 6 months if the household moves to a new site. The allowance is intended to make up for lost income and compensate for household expenses during the transition period when the APs are building their houses or re-establishing their lives.

86. **House Rent Assistance.** Every severely relocating household who is a lessee or temporary user of land will be given assistance of D500,000 per month for house rent for a period of 6 months.

87. **Transportation Allowance.** Every relocating household will be given a transportation allowance in cash to transport their salvaged and new building materials as well as their household effects to their new site. The allowance is not less than D1,000,000 if the household rebuilds the house on their remaining land or not less than D1,500,000 if the house moves to a new site.

88. **Business Transition Allowance.** Every household losing business location will be given a special business rehabilitation allowance not less than D1,800,000 in compensation for
their loss of net revenue during the transition period of relocation and rehabilitation of their business activities.

89. **Social Assistance Allowance.** Each AP household that is relocated and has one member who is a beneficiary of social assistance from the state will receive a special allowance equivalent in value to between D2,000,000 and D5,000,000 per household, in accordance with Decree No. 22/CP (Article 26-2). Additionally, every AP who is poor or disadvantaged, including war-invalid or disabled, single-parent household, female-headed household, or a widow will also be given an additional special social assistance at minimum of D2,000,000 for livelihood restoration or improvement. Level of assistance is defined by the local authority in consultation with the independent monitoring organization, depending on the level of need.

90. **Incentive Bonus.** Every affected household that demolishes or moves their affected houses, structures and assets, and transfers their affected land to the Project on time or before the set deadline will receive a special incentive bonus of at least 10% of the value of the AP’s total compensation package, to a maximum not exceeding D5,000,000.

### Table 3: Categories of APs Entitled to Various Allowances

<table>
<thead>
<tr>
<th>Category</th>
<th>Re-organizing HHs</th>
<th>Relocating HHs</th>
<th>Severely Affected Farmers</th>
<th>Persons Receiving Social Assistance from the State</th>
<th>Relocating Shops/ Businesses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Subsistence allowance</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>House rent assistance</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transportation allowance</td>
<td>✓</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business transition allowance</td>
<td></td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social assistance allowance</td>
<td></td>
<td></td>
<td></td>
<td>✓</td>
<td></td>
</tr>
<tr>
<td>Incentive bonus</td>
<td>✓</td>
<td>✓</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**L. Income Restoration**

91. Income restoration measures have been designed to assist severely affected farmers and shopkeepers to restore their pre-project living standards and productive incomes, or improve living standards, particularly for the poor and vulnerable.

(i) **Agricultural Extension.** Severely affected farmers, who have some agricultural land remaining, will be entitled to agricultural extension assistance to increase productivity on their remaining land. Such assistance would include cultivation techniques for new high-yielding varieties. This measure could help restore future income losses so that the AP will be in a position to produce the same level of income from the next season’s harvest. The implementing agency will coordinate with the extension department of Department of Agriculture and Rural Development to facilitate the provision of agricultural extension services to all severely affected farmers. An estimated D2,000,000 will be provided per household for agricultural extension purposes.

(ii) **Training Assistance:** For each AP, who has their income source severely affected, including those who have to change their occupation as a result of resettlement, will be given training/retraining assistance in form of job training or
The Project will also provide a training subsistence allowance for each entitled trainee during 3 months of training course. The total value of the rehabilitation assistance will D3,000,000 per household.

(iii) **Access to Credit** Lack of access to credit often leads to lack of equipment and inputs and lack of capacity to optimize the use of agricultural land or to difficulties in creating new enterprises. In order for the poor and other vulnerable groups including severely affected farmers to gain fully from these new opportunities, further credit avenues will be explored prior to the finalizing the RPs for severely affected and vulnerable APs. APs will be eligible for accessing the community-based sanitation scheme and the household sanitation credit in Part A.

(iv) **Project-Related Job Opportunities.** Severely affected persons will also have priority to be employed in the works linked to the Project where possible.

92. **Restoration of Income from Business Activities.** In order to enable relocating APs who have shops at the affected locations to restore their incomes, APs will have priority to access business locations within the same communes. This will permit APs to maintain their economic and social relationships. Such APs will be given priority for relocation at commercially advantageous locations along highways, communal roads and along canals near the bridges or footbridges in order to maximize their benefit from business opportunities.

93. **Restoration of Income from Fisheries.** In order to enable relocating APs who are affected by loss of fisheries, harbor-based business/households will be given priority to obtain a business location in a harbor or near a fishing port. This will enable APs to continue their activities. Priority will also be given to these APs for relocation to a resettlement site that is in the immediate proximity of a port or riverbed, protected against flooding.

94. **Severance of Communities and Agricultural Activities.** During the participatory detailed design every effort will be made to avoid severance of communities and farmland.

### VII. IMPLEMENTATION ARRANGEMENT

95. The implementation arrangements will differ in each Project town. The following is a general overview of key resettlement responsibilities at each level of Project implementation with respect to land acquisition and resettlement.

A. **Provincial People’s Committee (PPC)**

96. The PPC is the Executing Agency (EA), and will be responsible for approval of all RP and resettlement related issues, including the RF for this Project. After detailed engineering designs are complete, the number of APs will be revised, and compensation unit rates will be updated for all categories of lost assets and allowances based on replacement cost surveys during implementation. Following approval by the ADB, the PPC will be responsible for implementing the updated RP based on the RF, including speedy resolution of any grievances voiced by APs or other town/district authorities.
B. Project Advisory Committee (PAC)

97. The Project Advisory Committee (PAC) will be established at the national level, and will convene if requested, by any of its members to discuss common problems affecting project implementation. It will consist of one senior official from the Ministry of Construction (MOC) as chairperson and the six Project provinces as its members. Specific tasks pertaining to resettlement include speedy resolution of resettlement issues amongst subproject provinces.

C. Project Coordination Unit (PCU).

98. For overall project coordination, a Central Project Coordination Unit (PCU) will be established. The PCU comprise of two fulltime professional staff, with proficiency in English language, together with administration and support staff. The PCU is responsible for overall project coordination, including liaison between the Government and subproject PPCs and the ADB. They are specifically responsible for the following resettlement activities:

(i) Consolidate project progress reports on land acquisition and resettlement for relevant ministries and ADB. Approved RPs from Project provinces will be forwarded to ADB for concurrence.
(ii) Consolidate project accounts, and reviewing audited accounts; and
(iii) Recruit and supervise of consultants, including the external independent organization for resettlement monitoring.

D. Provincial Steering Committee (PSC)

99. A provincial steering committee (PSC), on behalf of the PPC, will have overall responsibility for project implementation. The PSC consists of the PPC chairperson/vice-chairperson; directors of provincial line departments including departments of Construction, Finance, Planning and Investment, Land use management, Environment; chairperson/vice-chairperson of the TPC, chairperson of the Provincial Women’s Union, and manager of the Project Management Unit (PMU). Key responsibilities of PSC are delineated in RPs for each of the Project Town.

(i) Assist the PPC updated the RP with revised compensation rates based on a replacement cost survey;
(ii) Advise PPC to issue decisions on acquisition and allocation of land required for development of subproject components, including allocation of land to poor and vulnerable APs;
(iii) Advise PPC to approve resettlement budget and ensure timely release of funds;
(iv) Advise PPC to review and approve resettlement documents submitted by PMU for approval by the PPC; and
(v) Advise PPC and PMU on ways to redress and resolve any APs grievances that have been appealed to the PPC, and refer all AP grievances to the appropriate channels.

E. Project Management Unit (PMU)

100. The PPC will set up a PMU for daily project implementation. It comprises technical, institutional, social and resettlement, administrative management, and accounting divisions. The
PMU will be responsible for the following key resettlement activities. Key responsibilities are delineated in RPs for each of the Project Town. Some key duties include:

(i) Integrate civil works with land acquisition and resettlement activities;
(ii) Instigate information campaigns, including the public information booklet (PIB), and stakeholder consultation with the APs in accordance with established Project guidelines. This includes prime responsibility for letters, forms and other relevant document, which may be delegated as required;
(iii) Develop the mechanisms through which resettlement disbursements and compensation payments for APs will be made. Prepare any relevant documents that may be required;
(iv) Coordinate with other departments for effective implementation of the RP approved under the subproject, and in compliance with the ADB resettlement principles and objectives. Ensure proper implementation of rehabilitation measures and rural development support activities;
(v) Ensure timely resettlement budget flow for delivery of compensation payments and rehabilitation of APs. Coordinate payment of compensation to APs; and
(vi) Implement subproject accounting and auditing for resettlement implementation. Prepare and submit regular progress reports to PSC and ADB on civil works and status of RP activities.

F. Town/District Resettlement Committee (TRC/DRC)

101. A resettlement committee will be established in line with arrangements outline in individual RPs. Each will appoint its members and a chair. The resettlement committee will work closely with the PMU on all resettlement-related issues. The DPC/TPC chairperson or vice-chairperson will act as the resettlement committee chairperson, and representatives from town/provincial departments, including construction, planning and investment, land use management, urban management unit, members of mass organization, representative of APs, and other members as required. The director of the PMU will be the vice-chairperson of the resettlement committee, unless otherwise requested. The resettlement committee will assist the DPC/TPC in decision-making on resettlement issues. Key responsibilities are delineated in RPs for each of the Project Town.

102. Some DPCs/TPCs have already established a Town resettlement division, which carries out all land acquisition, resettlement, and compensation activities relating to the town’s development projects. Town-specific arrangements and key responsibilities are found in each RP for individual Project towns.

G. Local Administrative Authorities

103. Local administrative authorities will play a key role in the planning and implementation of resettlement-related activities. Key responsibilities are delineated in RPs for each of the Project Town. Some include:

(i) Assign concerned ward/commune officials/professionals to help carry out all resettlement activities in its ward/commune;
(ii) Assist others, including the PMU to implement project information disclosure, and facilitating public meetings and consultation with APs;
(iii) Assist the others, including PMU in census surveys, replacement cost survey, DMS, and other resettlement-related activities;
(iv) Participate in all activities related to land acquisition and allocation, resettlement, rehabilitation measures and social development support activities;
(v) Support APs in all resettlement and rehabilitation-related activities. Co-sign compensation documents with the APs;
(vi) Verify the list of the poor or disadvantaged APs; and
(vii) Ensure AP’s grievances redressal mechanisms are appropriate and properly in place. Document APs grievances and maintain records of all grievances. Assist and advise APs on speedy redressal of grievances.

H. Local-Based Organizations

104. Local-based organizations at the ward or commune levels, such as the Viet Nam Women’s Union, Farmers Association, and Fatherland Front will help to mobilize and encourage APs to actively participate in the resettlement process, from planning through to implementation of the RP and in the public information and consultation programs.

I. Project Supervision Consultants

105. The Project Supervision Consultants will have social and resettlement expertise amongst its staff to assist and supervise all social and resettlement-related activities. Some key responsibilities include:

(i) Work closely with the local authorities and resettlement committees at all levels on resettlement related activities. Train local resettlement staff, as required;
(ii) Establish and implement liaison mechanisms to ensure proper technical and logistical support between the Project to the PMUs, local administrative authorities, resettlement committees and concerned government departments;
(iii) Assist in the conduct of information campaigns and community participation;
(iv) Assist in the verification of census, inventory of losses survey and DMS activities. Check the AP database prepared for accuracy, and provide suggestions for improvements if necessary;
(v) Assist in the preparation of an updated RP. Assist and revise, if necessary, procedures for the coordination of resettlement and compensation activities, including implementation arrangements;
(vi) Ensure that grievances redressal mechanisms are appropriate, and advise if necessary on speedy resolutions; and
(vii) Assist the PMU and PCU to establish and implement procedures for ongoing internal monitoring.

J. Agency Responsible for External Monitoring

106. One agency or institute, specialized in social sciences must be identified in order to carry out socioeconomic surveys, monitoring, and evaluation of RP implementation for the Project. They will submit periodic reports on the implementation process and make recommendations regarding the issues identified. The terms of reference and methodology for monitoring are presented in Section.
VIII. PUBLIC INFORMATION, CONSULTATIONS AND GRIEVANCE REDRESS

A. Objectives of Public Information and Consultation

107. Information dissemination to, consultation with, and participation of APs and involved agencies maintains transparency of the Project, reduces potential conflicts, minimizes the risk of Project delays, and enables the Project to design the resettlement and the rehabilitation program as a comprehensive development program to suit the needs and priorities of the APs.

108. The main objectives of the public information campaign, stakeholders’ participation and APs’ consultation programs are to (i) provide APs with full information on the proposed project, its components and activities; (ii) obtain information on needs and priorities of APs and affected communities, their reactions towards project proposed policies and activities; (iii) achieve cooperation and participation of APs in proposed activities related to RAP preparation and implementation; (iv) ensure that APs are able to participate in and make fully informed choices on issues that directly affect their incomes and living standards; and (v) ensure transparency in all activities related to land acquisition, relocation and rehabilitation.

B. Consultations During Preparation of RP

109. During the project preparatory phase of the RP for each Project towns, necessary activities included identification of project boundaries, preliminary inventory of losses and APs, and a socio-economic household survey were conducted. It was aimed to identify the scale of resettlement impacts, types and levels of losses, define appropriate or relevant resettlement strategies and prepare an action plan with description of detailed APs entitlements.

110. Among the methods adopted for project information and public consultation, the main included participatory rapid appraisals and stakeholders consultation methods. Different techniques employed included: site and household visits, public meetings, group and focus group discussions and the household socio-economic survey. The information gathered from the consultation process has been used for assessing project resettlement impacts to clarify recommendations on possible alternative technical options for reducing and/or mitigating potential negative resettlement impacts on local population and to proactively address issues or problems that may emerge during implementation.

111. At the very early stage of the project preparation, local authorities and leaders of different administrative levels in each of the Project towns were informed about the project proposal, its objectives and proposed activities. They were intensively consulted, and actively participated in discussions on their development needs and resettlement priorities, about their perception toward project objectives, the areas for their contributions to technical designs; and their tasks and roles in project planning and implementation. APs have been consulted on project potential impacts and possible measures to reduce potential negative impacts, and improve benefits for local people.

112. During this stage, mass media, including both central and local TV programs and newspapers introduced the proposed project to the broad public, including its objectives, components and on-going activities.

113. During the preparation of the RP, the following activities were undertaken to inform the public, and consult with APs and concerned stakeholders:
(i) Project site visits were made to observe current land use; to make preliminary assessment of resettlement impacts, its scope and types; assess the necessity of land acquisition. Visits and interviews with households living within the proposed acquired areas contributed to assessment of the needs for project investments, public support for project, identify impacts and possible mitigation measures;

(ii) Discussions were held with groups of local leaders/officials of different administrative levels, including provincial, district, communes and villages, who are responsible for resettlement issues or on making decisions related to resettlement issues;

(iii) Questions were addressed to town and wards leaders and local resettlement officials focusing on the project proposed resettlement framework, ADB's resettlement policies and its requirements, APs detailed entitlements, institutional arrangements for resettlement implementation, monitoring, allocation of budget for resettlement. Local authorities were informed of ADB policies and committed to comply with ADB's resettlement principles and procedures. Assessment of market prices for land and structures was also discussed with key informants;

(iv) After the inventory of losses, discussions were held with the local authorities on compensation options, strategies for development of resettlement sites, plans and availability of land and resources for resettlement sites, review of technical design to reduce negative resettlement impacts;

(v) Discussions were held with cadastral specialists and leaders from all communes and hamlets affected by each subproject. Discussions focused on assessment of potential negative resettlement impacts, options or alternatives for mitigation, assessment of replacement cost for affected land, properties, and assets.

(vi) Public meetings were held with APs in different wards and communes to inform about the Project and to learn about the APs' support for the Project, their concerns and views towards potential impacts, proposed measures for mitigation, and assessment of losses. APs' concerns towards possible resettlement impacts and mitigation measures have been taken into consideration and discussed extensively between the resettlement consultant and technical engineer to modify, wherever possible, technical design to reduce project resettlement impacts.

(vii) Focus group discussions with poor, vulnerable and disadvantaged groups (e.g., female-headed households, or those without legal title to residential or commercial land) were conducted to identify specific resettlement needs and priorities of each group and their preferred resettlement options. Results of these focus group discussions were taken into consideration by the consultant and were included in feedback discussion with the local authority/respective local officials to identify appropriate measures/options to assist the vulnerable and disadvantaged groups in their resettlement transition period.

(viii) Group interviews were held with affected farmers of the divert canals, regulating lakes, landfill sites, and wastewater treatment plants. The main questions addressed to this group were how the local farmers perceived the Project; what effects project acquisition of agricultural land will have on the farmers; and what measures should be taken to mitigate negative impacts or to assist them to recover or improve their income levels. Questions on assessment of market prices and/or values of losses of particular types of land and assets/properties were also asked to all meeting and discussion attendants.

(ix) Sample household questionnaire survey of 100% of relocating households, and about 25% of other affected households was conducted. Apart from questions on households’ socioeconomic status, the questionnaire contained questions
relating to the views and preferences of APs regarding the Project, compensation, resettlement, and rehabilitation measures.

(x) A PIB for each subproject is drafted, and is available separately.

C. Consultations Proposed During Implementation

114. During Project implementation stage, when compensation and resettlement activities are to be implemented, the public and APs need to be informed on the Project's resettlement procedures, detailed resettlement policies and APs' entitlements, institutional implementation arrangements, and redressal mechanism. During this stage, APs have the right to be informed and consulted on the results of the DMS, proposed compensation options, application of compensation rates to their affected land, assets and entitlements, relocation options and proposed resettlement sites.

115. Project information disclosure will be continued in the project implementation stage, using different methods of information dissemination to provide the concerned public, and especially APs, with full information to make their best choices to overcome problems or difficulties in their resettlement transition period and rehabilitate or improve their incomes and living standards.

116. After the Project is approved by ADB, a number of activities will be taken to establish institutions, assign tasks and delegate responsibilities to the staff involved, for project overall, as well as for resettlement implementation in particular. During the first weeks of the project implementation phase, the PCU will sign a contract to hire, among others, one (1) international and two (2) resettlement consultants to assist the PCU, PMUs and local resettlement committees to strengthen their resettlement capacity in addressing resettlement issues during RP implementation.

117. Implementation of the RP requires following more specific steps of activities related to public information and APs consultation program, to enhancement of APs and stakeholders participation in RP implementation as follows:

(i) **Activity 1: Project Information and Training Workshop.** After project approval by ADB, the PMU will provide, as an important part of the planned workshops, more detailed project information, including project resettlement policies and implementation procedures, to the resettlement committees, authorities of affected wards and communes authorities, and APs’ representatives.

(ii) **Activity 2: Public Information Before Putting Project Marks and Detailed Measurement Survey (DMS).** Project implementation announcements to the public will be made through mass media including TV, newspapers and leaflets. This information contains a description of the project and its components, content and schedule of putting project marks in field and DMS. A letter describing the purpose, content and schedule of DMS, requirements to APs on their presence during their DMS and preparation of legal documentation required for DMS and procedures of grievance redressal will be developed and widely distributed.

(iii) **Activity 3: Public Meeting.** A public meeting may be required, before the PIB is distributed. If one is necessary, then a letter of invitation will be sent to all APs at least two weeks in advance. This will provide an opportunity to discuss issues of
concern and to clarify the project subcomponents, early in the implementation process.

(iv) **Activity 4: Public Project Information.** Distribution or dissemination of project information in the form of a public information booklet. This main project information document will be prepared by the PMU in consultation with the ADB, and will be distributed to all APs in the subproject area. The PIB will contain (a) a short description of the project; (b) types of impacts; (c) basic resettlement policies, entitlements, compensation options; (d) institutional implementation organization; (e) implementation schedule; (f) grievance redressal mechanism; (g) external monitoring; (h) APs rights to participation and consultation; (i) resettlement procedures; and (j) address and names of officials responsible for receiving, solving complaints, grievances of APs.

(v) **Activity 5: Consultation of APs on Relocation.** Meetings will be organized to inform APs on different relocation options and consequent entitlements, to consult with them on proposed resettlement sites, especially their location. A questionnaire on relocation preferences and priorities is given to relocating APs to record preferred relocation options of eligible APs.

(vi) **Activity 6: Update Information and Prices.** Update and/or establish provincial unit prices, and confirm land acquisition and impact on properties through a land acquisition and census survey. The resettlement committee will apply these prices, calculate compensation entitlements, and complete the Asset Compensation Form for each affected household. The information presented to APs during the initial inventory of losses survey will require a follow-up visit to each household.

(vii) **Activity 7: Asset Compensation Forms.** The Asset Compensation Form will be sent to the APs for their signature and/or record of potential complaints. The purpose is to obtain APs agreement on the listing of affected assets lost and compensation entitlements determined. The form also confirms APs’ choice on their relocation option. Consult with eligible APs who losing income source or have income severely affected on their training preferences, providing information related to training entitlements and training opportunities. Record APs’ selected options for training.

(viii) **Activity 8: Meeting with APs.** To discuss issues arising related to APs entitlements applied in their compensation option forms. Obtain agreement of APs on their entitlements and their signatures on compensation forms.

(ix) **Activity 9: Information Letter to APs.** To inform APs about the relocations options, including (a) the consequence for each option, and (ii) confirmation of option choice and preliminary confirmation of resettlement site location, and (iii) indication of social services. The letter may also include the resettlement schedule, location and procedures of compensation payment. Severely affected persons and vulnerable APs will be personally contacted to confirm their preferences for relocation and rehabilitation assistances.

(x) **Activity 10: Meeting of APs Relocating to Resettlement Site (s).** To consult on plots allotment options adopted for resettlement sites, timing for plot allocation
to APs, for construction of houses in resettlement sites, demolition of affected houses and structures and moving to resettlement sites, timing for transferring affected land to project. APs also will be informed on procedures to obtain a LURC of allocated plots.

(xi) Activity 11: Inform the APs on Planned Start Date of Project Civil Works.

D. Disclosure

118. In addition to disclosure of information to affected people and communities, this RP or a summary will be displayed on ADB’s website, including the PIB for the subproject.

E. Grievance Redress Procedure

119. To ensure that all APs' complaints, grievances on any aspect of land acquisition, compensation, relocation, payment be addressed and resolved in timely and satisfactory manner, and that all avenues are available to APs to air their grievances, a well defined grievance redressal mechanism will be established.

120. The APs will be made fully aware of their rights and the procedures for doing so verbally and in writing during consultation, survey, and time of compensation. Detailed procedures for both redressing grievances and the appeal process will be publicized among APs through an effective public information campaign.

121. Attempts should be made to settle emerged issues at the ward level through community consultation and involvement of social and resettlement experts as required, nongovernmental organizations, mediators and facilitators if required. The respective resettlement committees will properly document all complaints and resolutions.

1. Content of Grievances

122. APs can lodge their complaints regarding any aspect of land acquisition, compensation entitlement, compensation policy, rate, resettlement and entitlements relating to rehabilitation assistance programs. Complaints by APs can be lodged verbally or in written form. In case they are lodged verbally, the committee to which it is lodged will write it down at the first meeting with the APs.

123. APs will be exempt from all taxes, administrative and legal fees incurred through grievance redressal procedures. APs will be provided with free legal representation in case any complaints are lodged in court.

2. Grievance Procedures

124. A four-stage procedure for redress of grievances is proposed:

(i) Stage 1. Complaints of APs on any aspect of compensation, relocation, or unaddressed losses shall in the first instance be lodged verbally or in written form to the Ward People’s Committee (WPC). The complaint can be discussed in an informal meeting with the AP and the Ward Chairperson, or, on his/her behalf, an official of the WPC. It will be the responsibility of the WPC to resolve the issue within 15 days from the date the complaint was lodged.
(ii) **Stage 2.** If no understanding or amicable solution is reached or if the AP receives no response from the WPC or CPC within 15 days of registering the complaint, he/she can appeal to the TPC in the presence of the TRC or TRD. The AP must lodge the complaint within one (1) month of registering the original complaint and must produce documents, which support his/her claim. The TPC will provide the decision within one (1) month of the registered appeal.

(iii) **Stage 3.** If the AP is not satisfied with the decision of or in the absence of any response by the TPC or its representatives, the AP can appeal to the PPC. The PPC, together with PMU will provide a decision on the appeal within 30 days from the day it is received by the PPC.

(iv) **Stage 4.** If the AP is still not satisfied with the decision of or in the absence of any response by the PPC or PMU within the stipulated time, the AP, in his/her last resort, may submit his/her case to the Town Court.

IX. IMPLEMENTATION SCHEDULE

125. The Project is expected to commence in August 2004 for a period of five (5) years. During Project implementation, prior to the award of civil works contract, the RP for each of the subproject (and this Project RF) will be updated. The PPC is will approve the final RP and RF, and forward it to ADB for concurrence. ADB shall not approve any civil works contract for any subproject to be financed from the loan proceeds unless the Government has satisfactorily completed all land acquisition, and resettlement activities, including the establishment of rehabilitations measures.

126. All stakeholders and APs must agree upon the implementation schedule for all resettlement activities before resettlement activities begin. Schedule for the RP implementation, including coordination of resettlement activities with civil works is detailed in each of the RP subprojects, and in Attachment 2. The schedule envisages a sequence of activities, some of which overlap with other activities and/or will be periodically repeated throughout the Project.

X. BUDGET

127. A preliminary budget estimate has been prepared based on the feasibility study. The indicative detailed cost estimates for the subcomponents in the six Project towns are presented in Attachment 3. The current estimated cost of resettlement of people that will be affected by the Project is **US$ 7.75 million**. The budget for the subproject RPs shall be prepared and based on the updated compensation unit rates to be prepared by each province to reflect replacement cost at current market value of all affected assets at the time of compensation. RPs will include the breakdown for each type of losses with corresponding cost estimates reflecting replacement cost at current market values. Costs for development of resettlement sites and support costs for implementation will also be included.

128. Adequate budgetary support will be fully committed and made available to cover the costs of land acquisition and resettlement within the agreed implementation period. To ensure general timely delivery of budget for implementation of resettlement activities, for compensation payments and rehabilitation assistances, it is proposed that the PPC will transfer funds to the PMU for compensation payments, rehabilitation allowances and measures.
XI. MONITORING AND EVALUATION

129. Monitoring means the process of regularly measuring the progress in effectively completing project activities and in achieving the goal and objectives of the project. Evaluation is assessment at one given point of time of the impact of intervention, and the extent to which stated objectives has been achieved.

130. The general objective of monitoring is to ensure timely and accurate compensation and implementation of the resettlement program as defined in the RP. RP implementation will be monitored both internally and externally with the objective of providing feedback to management on implementation and identifying problems and successes as early as possible to facilitate timely adjustment of implementation arrangements. Regular monitoring of the RP implementation will be conducted by the implementing agencies and ADB, as well as by an external independent monitoring organization (IMO).

A. Internal Monitoring

131. The PMU, with assistance from resettlement consultants, is responsible for internal monitoring of all aspects related to RP implementation. The PMU will supervise land acquisition and resettlement, as indicated in the RP. The PMU will also oversee the progress in resettlement preparations and implementation through regular progress reports.

1. Monitoring Indicators

132. The main indicators to be regularly monitored by the PMU are:

   (i) Payment of compensation to APs at the level described in this RP;
   (ii) Delivery of technical assistance, relocation, payment of subsistence and moving allowances;
   (iii) Delivery of income restoration and social support entitlements;
   (iv) Coordination and completion of resettlement activities and the award of civil works contract;
   (v) Project information and consultation to be given to APs, in accordance with procedures described in this RP;
   (vi) Priority of APs regarding the options offered;
   (vii) Conformity to grievance procedures;
   (viii) Adherence to grievance procedures and outstanding issues requiring management’s attention;
   (ix) Training of severely affected APs;
   (x) Location of RS, including its design, construction and allocation of plots to relocating APs; and
   (xi) Rehabilitation of public affected structures.

2. Staff for Internal Monitoring

133. One PMU staff will be responsible for internal monitoring of resettlement implementation. He/she will collect information on progress and results of resettlement implementation every month from the TRC. Based on this information, he/she will establish and maintain a database of resettlement monitoring information for the subproject, which will be updated monthly.
134. The implementing agencies will submit to the PMU, and the PMU, assisted by the Project consultants, will submit to the ADB as part of PMU’s regular quarterly progress report to the ADB, a monitoring report on the progress of implementation of the RP every 3 months. The internal reports shall include the following topics:

(i) The number of APs by category of impact per component, and the status of compensation payment and relocation and income restoration for each category;
(ii) The amount of funds allocated for operations or for compensation and the amount of funds disbursed for each;
(iii) The eventual outcome of complaints and grievances and any outstanding issues requiring management or ADB’s assistance;
(iv) Implementation problems; and
(v) Revised actual resettlement implementation schedule.

B. External Monitoring

135. A condition for loan effectiveness, the PCU will recruit for the entire Project, an external independent monitoring organization (IMO). The IMO will be specialized in Social Sciences and experienced in resettlement monitoring. The IMO shall start their work as soon as the updated RP has been approved.

1. Objectives

136. The general objectives for external monitoring are:
(i) To provide an independent source of evaluation during the implementation process of resettlement and compensation. The external monitor will offer, if needed, external support and technical expertise to AP compensation committees and implementing agencies;
(ii) To contribute advice to solve both anticipated and unanticipated problems that may arise as the programs defined in this RP are carried out; and
(iii) To provide an overall assessment of RP programs from a broader, long term socioeconomic perspective.

2. Monitoring and Evaluation Indicators

137. The following indicators will be monitored and evaluated by the IMO:

(i) Payment of Compensation: (a) full payment of compensation should be made to APs sufficiently before land acquisition, where compensation value should be sufficient to replace affected assets; and (b) compensation for affected structures should be equivalent to the replacement cost of materials and labour based on standards and special features of construction with no deductions made for depreciation or the value of salvageable materials.
(ii) Coordination of Resettlement Activities with Civil Works Schedule: the completion of land acquisition and resettlement activities for any component should be completed prior to award of the civil works contract for that component.
(iii) Provision of Technical Assistance for House Construction: technical assistance for house construction should be provided for APs who are rebuilding their structures on their remaining land, or building their own structures in new places as arranged by the project, or on newly assigned plots.
Public Consultation and Awareness of Compensation Policy: (a) APs should be fully informed and consulted about on all resettlement activities, including land acquisition, leasing land and relocation activities; (b) At least once a month, the IMO should attend public meeting to monitor consultation procedures, problems and issues arisen during the meetings and solutions 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 RP.

Restoration of Income Loss: APs are monitored on their restoration of their productive activities.

Training: (a) APs that are eligible for training, as per this RP, will be monitored; (b) type of training will depend on the APs’ preferences, and the training course available; and (c) training will be done preferably within 3 months after APs have relocated to new site, or within 3 months of project impact, if not relocating.

Level of APs Satisfaction: (a) level of APs satisfaction with various aspects of resettlement and compensation will be monitored and recorded; and (b) operation of grievance redressal mechanism, redressal results, and effectiveness of grievance resolution will be monitored.

Standards of Living: throughout resettlement implementation process, the trends of living standards of APs will be observed and surveyed, and any potential problems in restoration of living standards will be recorded and reported.

3. Evaluation

The IMO will conduct an evaluation of the resettlement process and impacts 6 to 12 months after completion of all resettlement activities, using the same survey questionnaire and sample as used during the monitoring activities.

4. Replacement Cost Survey

The IMO shall carry out a replacement cost survey to verify and update the PPC compensation rates and ensure that the current market rates are applied and are acceptable as replacement values to both APs and PPC. This will be done independent of the replacement cost survey by Project Supervision Consultants.

C. Monitoring Methodology

The methodology for conducting monitoring and evaluation of the RP implementation is described as follows:

(i) Sources for resettlement-related information can be derived from the (a) PMU; (b) subproject resettlement committees or affected wards and/or communes; and/or (c) affected people and communities. Data from the IOL and DMS for all APs, and from the replacement cost survey should be made available to IMO to create its initial database, at no cost;

(ii) Methods of gathering information is based on (a) discussions with PMU, TRC, and affected wards and/or communes; (b) direct interviews with APs; (c) group interviews and focus group discussions with APs and other stakeholders; (d) public meetings with APs; (e) informal surveys and interviews of APs, host communities, special interest or vulnerable groups, and women; (f) in-depth case
studies of problems that have arisen during internal or external monitoring requiring special efforts for resolution; and (e) household questionnaire surveys;

(iii) To quantify the quality of resettlement implementation, IMO will use sample socioeconomic surveys before, during and after resettlement implementation to provide a clear comparison of success and/or failures of the RP. The sample should be 100% of relocating APs and at least 20% of all other households;

(iv) The sample survey should be conducted twice a year using the same or similar questionnaire as that used for IOL baseline, and sampling the same groups of APs, if possible;

(v) An external post-resettlement evaluation will be conducted 6-12 months after all resettlement and income restoration activities have been completed, using the same methodology that was used for periodic monitoring during RP implementation. Information gathered will be analyzed based on the types and levels of impact on compensation and rehabilitation.

1. Database

141. The IMO will create and maintain a database of resettlement monitoring information that will be updated every three months. It will contain certain files on each affected household and will be updated based on information collected in successive rounds of data collection. All databases compiled will be fully accessible by implementing agencies and the PMU.

2. Reporting

142. The IMO will be required to submit the findings of the periodical monitoring every 3 months (or any agreed period). These monitoring reports shall be submitted at the end of each quarter of monitoring activity to the PMU, which in turn will submit these reports to ADB as an annex of its progress report.

143. The report should contain:

(i) A report on the progress of implementation of RP;

(ii) Deviations, if any, from the provisions and principles of the RP;

(iii) Identification of problem issues and recommended solution, so that implementing agencies are informed about the ongoing situation, and can resolve problems in a timely manner; and

(iv) A report on progress of ongoing resettlement activities, and follow-up solution of problems and issues identified in the previous monitoring report.

3. Monitoring Report Follow-Up

144. The monitoring reports will be discussed in a meeting between the IMO, PMU and implementing agencies held immediately after submission of the report. Necessary follow-up action will be taken based on the problems and issues identified in the reports and follow-up discussions.
### Attachment 1: Entitlement Matrix

<table>
<thead>
<tr>
<th>ITEM</th>
<th>TYPE OF LOSS</th>
<th>APPLICATION</th>
<th>DEFINITION OF ENTITLED PERSON</th>
<th>COMPENSATION POLICY</th>
<th>IMPLEMENTATION ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Permanent loss of arable land</td>
<td>Marginal APs: • Less than 20% of total affected assets lost due to LA; AND/OR • Marginal impact on HH income and living standards.</td>
<td>Legal user with permanent rights to use the affected land, and temporary user who will be legalized before compensation as a permanent user.</td>
<td>APs will be entitled to: (i) Cash compensation for acquired land at full replacement cost; AND (ii) Cash compensation for crops and trees at full market price.</td>
<td>HH without LURC but their name listed in the land book of the commune and still now using that land are considered as fully legal users. If the viability of the remaining land is less than the minimum viable economic unit, then the entire piece of land would be acquired and the AP would be considered severely affected.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Land users with temporary or leased rights to use land that cannot be legalized as long-term land user.</td>
<td>(i) Cash compensation for lost income from the affected land for the remaining lease or assigned period, or cash compensation for the acquired land equivalent to 30% of land at replacement cost, whichever is higher; AND (ii) Cash compensation for loss of crops and trees at full market prices.</td>
<td></td>
<td>If the viability of the remaining land is less than the minimum viable economic unit, then the entire piece of land would be acquired at 30% of replacement cost for the land, and the AP would be considered severely affected.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Land users without permanent or legalizable rights to use land.</td>
<td>(i) No compensation for land, but cash assistance corresponding to the investments in the land; AND (ii) Cash compensation for crops and trees at full market prices. (iii) If poor and vulnerable, see below.</td>
<td></td>
<td>Special attention to be given to poor and vulnerable households, including those headed by females.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Severe APs: • More than 20% of total affected assets lost due to LA; AND/OR • Severe impact on HH income and living standards.</td>
<td>Legal user with permanent rights to use the affected land, and temporary user who will be legalized before compensation as a permanent user.</td>
<td>(i) As priority, land for land compensation with full title OR cash compensation for the lost land at full replacement cost; AND (ii) Cash compensation for loss of trees and crops at full market price; AND (iii) Transition allowances and rehabilitation assistance.</td>
<td>If the viability of the remaining land is less than the minimum viable economic unit, then the entire piece of land may be acquired and the AP would receive full compensation. Cash in lieu of land will be offered only as a last resort or at the request of the AP.</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>TYPE OF LOSS</td>
<td>APPLICATION</td>
<td>DEFINITION OF ENTITLED PERSON</td>
<td>COMPENSATION POLICY</td>
<td>IMPLEMENTATION ISSUES</td>
</tr>
<tr>
<td>------</td>
<td>-------------</td>
<td>-------------</td>
<td>-------------------------------</td>
<td>---------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>1</td>
<td>Land users with temporary or leased rights to use land that cannot be legalized as long term land user</td>
<td>Land users with temporary or leased rights to use land that cannot be legalized as long term land user</td>
<td>(i) As a priority, land for land compensation equal to 30% of the affected area at full replacement costs, OR Cash compensation for lost income from the affected land for the remaining lease or assigned period, or cash compensation for the acquired land equivalent to 30% of land at replacement cost, whichever is higher; AND (ii) Cash compensation for loss of crops and trees at full market prices;</td>
<td>If the viability of the remaining land is less than the minimum viable economic unit, then the entire piece of land would be acquired at 30% of replacement cost for the land, and the AP would be compensated fully at 30% of land at replacement cost.</td>
<td>Special attention to be given to poor and vulnerable households, including those headed by females.</td>
</tr>
<tr>
<td></td>
<td>Land users without permanent or legalizable rights to use land.</td>
<td>Land users without permanent or legalizable rights to use land.</td>
<td>(i) No compensation for land, but cash assistance corresponding to the investments in the land; AND (ii) Cash compensation for loss of crops and trees at full market prices; AND (iii) Transition allowances and rehabilitation assistance.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Land users or management organizations</td>
<td>Land users or management organizations</td>
<td>(i) If the recovered land belongs to the commune public land fund, or is communal land, then cash compensation will be paid to the commune. (ii) In case of temporary land allocation by commune, 70% of the remaining value of the affected land will go to the commune budget, after 30% is paid directly to the APs. (iii) Affected persons will be compensated directly for any affected crops and trees at full replacement costs at current market prices.</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor and vulnerable households, including female-headed households if applicable.</td>
<td>Poor and vulnerable households, including landless APs, will be entitled to (i) Assistance by the local authority to obtain land of an area equal to the minimum standard plot size, with full legal title to land at no cost to the APs, at a resettlement site or elsewhere, in accordance with AP preference; AND/OR (ii) Transition allowances and rehabilitation assistances.</td>
<td>Any of the previous categories may also be categorized as a poor and vulnerable household.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Temporary loss of arable land</td>
<td>Affected persons</td>
<td>(i) Cash compensation for loss of trees and crops at full replacement costs; AND (ii) Cash compensation for loss of net income from crops that cannot be planted for the duration of project temporary use; AND (iii) Land restoration to its previous or better quality.</td>
<td>In the case the contractor damages property, the contractor will be required to pay compensation to APs, and/or restore the property to its former condition.</td>
<td>There should be measures to improve land</td>
</tr>
<tr>
<td>ITEM</td>
<td>TYPE OF LOSS</td>
<td>APPLICATION</td>
<td>DEFINITION OF ENTITLED PERSON</td>
<td>COMPENSATION POLICY</td>
<td>IMPLEMENTATION ISSUES</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------------------------</td>
<td>-----------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>Temporary loss of arable land</td>
<td>Land users with legal/legalizable rights, or temporary land use right</td>
<td>If the duration of project's use the land exceed more than one (1) year, then the APs have option to:  (i) Continue temporary use arrangements; OR (ii) Sell the remaining land to the Project at full replacement costs in accordance with land use categories.</td>
<td>quality in cases of land being adversely affected or acidified.</td>
<td></td>
</tr>
</tbody>
</table>
| 3    | Permanent loss of residential land                | Marginal affect:  
  • Loss of residential land without structures built thereon; AND/OR  
  • Marginal impact on HH income and living standards | Legal user with permanent rights or legalizable rights to use the affected land.                     | (i) APs will be entitled to cash compensation for land at full replacement cost of the land; AND  
(ii) Cash compensation for loss of trees and crops at full market prices.                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                    |
|      |                                                  | Land users without rights use to the affected land.                          |                                                                                                                                                  | (i) No compensation for land, but will be provided assistance corresponding the remained value of investment on land.  
(ii) Cash compensation for loss of trees and crops at full market prices.                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                    |
|      |                                                  | Severe Affect:  
  • Loss of residential land with structures built thereon; AND/OR  
  • Severe impact on house income and living standards | Legal user with permanent rights or legalizable rights to use the affected land.                     | APs will be entitled to one of the following options:  
(i) Stay and rebuild their structures on the remaining land if viable; OR  
(ii) Opt for relocation.                                                                                                                                                                                                                                                            | APs are entitled to land for land, cash for land, or a combination of the two, at replacement cost, equivalent to the area of legal land lost.  
APs who are compensated with land of larger size or value than the previous plot size, will not pay the difference. APs who are compensated with land of smaller size will receive the balance of land quantity in cash between the standard plot size of compensation and the remaining land.  
Reorganizing APs will not have to pay conversion fees of agricultural land to residential land.                                                                                                                                                                                   |
|      |                                                  | a) Reorganizing APs                                                          | APs choosing to reorganize onto the remaining land, if deemed viable, are entitled to:  
(i) Compensation in cash or kind for the affected area; AND  
(ii) Compensation for the affected structure at full replacement cost; AND  
(iii) Transition allowance and rehabilitation assistance; AND/OR  
(iv) If reorganizing APs are businesses or shops, then they will be entitled to business transition allowance.                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                    |
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TYPE OF LOSS</th>
<th>APPLICATION</th>
<th>DEFINITION OF ENTITLED PERSON</th>
<th>COMPENSATION POLICY</th>
<th>IMPLEMENTATION ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>a) Relocating APs</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>APs choosing to relocate, are entitled to:</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(i) <strong>Relocation to an Individual Resettlement Site</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a. Land-for-land compensation with full title to a plot of land without cost to APs, of equal area and quality (not less than the standard plot size) at an individual location or in small groups together with several other APs from the municipality; <strong>AND</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>b. Compensation for affected structures at full replacement cost, <strong>AND</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>c. Sufficient support to develop their own access road, water, drainage, electricity if available, and land filling at replacement cost; <strong>AND</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>d. Transition allowance and rehabilitation assistance; <strong>AND/OR</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>e. Business transition allowance, if the relocating AP is a business, <strong>OR</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(ii) <strong>Self Relocation</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a. Cash compensation at full replacement cost for their legal affected land and structures, if they prefer to make their own arrangements; <strong>AND</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>b. Transition allowance and rehabilitation measures, including living, transition, and incentive bonus allowances, <strong>AND/OR</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>c. Business transition allowance, if the relocating AP is a business.</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Land users with temporary or leased rights to use land that cannot be legalized as long-term land user.</td>
<td>(i) Relocating APs are eligible to the same entitlements as other relocating APs; <strong>OR</strong></td>
<td>APs who are compensated with land of larger size or value than the previous plot size, will not have to pay the difference. APs who are compensated with a smaller size than that of the original plot size will be paid the difference in cash compensation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(ii) Self-relocating APs, who are <strong>severely</strong> affected, will be paid</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a. Cash compensation equal to 30% of the replacement cost for the residential land at the affected site; <strong>AND</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>b. Transition allowances and rehabilitation assistance; <strong>OR</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(iii) Self-relocating APs who are marginally affected, will be entitled to</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>a. Cash assistance at 30% of the replacement cost of the affected area; <strong>AND</strong></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>b. Cash compensation for affected structures at full replacement costs.</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>TYPE OF LOSS</td>
<td>APPLICATION</td>
<td>DEFINITION OF ENTITLED PERSON</td>
<td>COMPENSATION POLICY</td>
<td>IMPLEMENTATION ISSUES</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>-------------</td>
<td>-----------------------------</td>
<td>---------------------</td>
<td>----------------------</td>
</tr>
<tr>
<td>4</td>
<td>Secondary APs</td>
<td>APs affected by land acquisition for borrow areas or individual relocation.</td>
<td>Legal user with permanent or temporary use rights who are legalizable.</td>
<td>(i) Relocation to a standard size plot (not less than the standard plot size) on a fully serviced group site, or to an individual resettlement site with sufficient cash, at replacement cost, to development their own access road, water, electricity and land filling, <strong>AND</strong> (ii) Compensation for affected structures at full replacement costs; <strong>AND</strong> (iii) Transition allowances and rehabilitation assistance.</td>
<td>Special attention to be given to poor and vulnerable households, including those headed by females.</td>
</tr>
<tr>
<td>5</td>
<td>Structures</td>
<td>Structures located in recovered area of project components.</td>
<td>Legal owner of the affected structure.</td>
<td>APs with legal right to build the affected structure will be entitled to compensation at full replacement cost of the affected structure in material, cash or a combination of the two, without any deduction made for depreciation or salvageable materials.</td>
<td>In some area, right to use land implies right to build a structure, so a building permit is not required.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Tenants or lessees of structures</td>
<td>(i) Six (6) months of rent allowance; <strong>AND/OR</strong> (ii) Assistance in finding a new, affordable rental accommodation; <strong>OR</strong> (iii) Continue residing, and agree with the house owners about conditions of their remaining tenancy agreement. Owners of house or structures will be entitled to receive entitlements as described above.</td>
<td>In some areas, right to use land does not imply right to build a structure. It may require a building permit, which shall be provided to APs at no cost. Calculation of rates will be based on actual affected area and not useable area.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Household who own the graves in the area to be recovered.</td>
<td>APs are entitled to cash compensation for all costs of excavation, movement, and reburial. Relocation of graves is done according to the APs preference.</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>TYPE OF LOSS</td>
<td>APPLICATION</td>
<td>DEFINITION OF ENTITLED PERSON</td>
<td>COMPENSATION POLICY</td>
<td>IMPLEMENTATION ISSUES</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>-------------</td>
<td>--------------------------------</td>
<td>---------------------</td>
<td>-----------------------</td>
</tr>
<tr>
<td>6</td>
<td>Loss of business income.</td>
<td>Permanent loss of business income for relocated shopkeepers.</td>
<td>Relocating owner of the affected shop.</td>
<td>Relocating APs will be entitled to: (i) A special business rehabilitation allowance not less than D1,800,000 be assist in getting a kiosk with full land title in the resettlement site market or find a location elsewhere suitable for business. (ii) APs losing their business due to relocation will be given priority in obtaining and/or leasing a kiosk in the resettlement market. (iii) Those APs who will have to shift to another activity due to relocation, will be entitled to training/retraining assistance and a training subsistence allowance. (iv) APs will also be entitled to receive other transition allowances and rehabilitation assistance.</td>
<td>At the time of compensation, allowances will be adjusted to account for inflation. APs will be given priority for relocation nearby advantageous areas (e.g., highway, communal roads, along canals) in order to maximize their benefits from business opportunities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Temporary loss of business income for relocated shopkeepers.</td>
<td>Small businesses (a) Not registered (b) Registered, with official documents/statements</td>
<td>(i) Small businesses are entitled to cash compensation for the duration of the business or income-generated disruption, based on the minimum wage per month in the respective province. (ii) Small businesses are entitled to a. A special business rehabilitation allowance; OR b. Business rehabilitation allowance, equal to the AP’s monthly average net income of the affected business based on their business license and tax, but not less than the business rehabilitation allowance.</td>
<td>Compensation will be provided for the duration of the business or income-generated disruption based on net income. If the AP does not get a location to continue business, then affected person(s) will receive a training package, as indicated above.</td>
</tr>
<tr>
<td>7</td>
<td>Loss of wage incomes.</td>
<td>Permanent or temporary loss of wage incomes.</td>
<td>Wage laborers</td>
<td>(i) Permanent loss of wages: a. Cash compensation for six (6) months salary or wages, OR cash compensation for the remaining period of the contract, whichever is higher; AND b. Severance pay for employees, as encouraged by the Project to the businesses; AND c. Assistance in securing new employment, including relevant skills training expenses if required. (ii) Temporary Job Loss: a. APs experience temporary job loss while business is reorganizing within remaining land are entitled to cash compensation for last salary or wages for each month they cannot work, OR b. Assistance in securing new employment, including relevant skills training expenses, if required.</td>
<td></td>
</tr>
<tr>
<td>ITEM</td>
<td>TYPE OF LOSS</td>
<td>APPLICATION</td>
<td>DEFINITION OF ENTITLED PERSON</td>
<td>COMPENSATION POLICY</td>
<td>IMPLEMENTATION ISSUES</td>
</tr>
<tr>
<td>------</td>
<td>--------------</td>
<td>-------------</td>
<td>-------------------------------</td>
<td>---------------------</td>
<td>----------------------</td>
</tr>
</tbody>
</table>
| 8    | Loss of trees and crops | Trees and crops located within the affected or recovered land area for a subcomponent. | APs who are cultivating the land, irrespective of land ownership. Compensation for trees is paid only to private owners. | (i) Cash compensation for crops is paid to at the full market value of the affected crops.  
(ii) Cash compensation for trees that are not productive yet, which includes all initial investment and care of the tree up to the date of land acquisition.  
(iii) If a perennial crop/plant can only be harvested once, the compensation will include the total cost of investment and care until the time of land acquisition at full market value. | APs will be given notice several months in advance regarding evacuation. Crops grown after issuance of the deadline will not be compensated. For particular, perennial crops/plants/trees, replacement cost is based on tree's age, shape, perimeter, and yield. |
<p>| 9    | Transition Allowances | Subsistence allowance. | Relocating APs and severely affected farmer APs. | All relocating APs and severely affected farmers are entitled to D200,000 per son per month for 3-6 months subsistence allowance during transition period. | At the time of compensation, allowances will be adjusted to account for inflation. |
|      |               | House Rent | Relocating APs who were temporary or lessees | APs will be given house rent in the amount of D500,000 per month for a maximum of 6 months. | |
|      |               | Transportation allowance. | Relocating APs. | All relocating APs are entitled to assistance to transport household effects, salvaged and new building materials to relocation sites. If requested by APs, this assistance will be provided in the form of cash (D1,000,000 – D1,500,000 per household). | |
|      |               | Business transition allowance | APs who have businesses and are to be relocated. | APs are entitled to D1,800,000 cash payment of an income transition allowance to provide for loss of income during the transition period. | |
|      |               | Incentive bonus | Relocating AP, including relocating shopkeepers. | A special incentive bonus to move on time of at least 10% of the value of the AP's total compensation package, to a maximum not exceeding D5,000,000. | |
|      |               | Social allowance | Beneficiary of social allowance who relocate. | Beneficiary of social allowance who are relocated are entitled to a special allowance of D5,000,000 | |
| 10   | Rehabilitation Assistance | Agricultural Extension | Severely affected farmers who have remaining agricultural land. | Development to facilitate the provision of agricultural extension services to all severely affected farmers. An estimated D2,000,000 will be provided per household for agricultural extension purposes. | At the time of compensation, rehabilitation assistance and measures will be adjusted to account for inflation, and local situations. |
|      |               | Training Assistance | AP having their income source severely affected, including those that change their occupation as a result of resettlement. | Training/retraining assistance in form of job training or cash combined with respective technical assistance will be provided. The Project will also provide a training subsistence allowance for each entitled trainee during 3 months of training course, at the total value of the rehabilitation assistance will D3,000,000 per household. | |</p>
<table>
<thead>
<tr>
<th>ITEM</th>
<th>TYPE OF LOSS</th>
<th>APPLICATION</th>
<th>DEFINITION OF ENTITLED PERSON</th>
<th>COMPENSATION POLICY</th>
<th>IMPLEMENTATION ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Access to Credit</td>
<td>Affected persons, with special priority to severely affected and vulnerable APs</td>
<td>APs will be eligible for accessing the community-based sanitation program and the household sanitation credit scheme in Part A.</td>
<td>Further credit avenues will be explored prior to the finalizing the RPs.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Project-Related Job Opportunities</td>
<td>Severely affected persons.</td>
<td>APs will have the priority to be employed in the works linked to the Project where possible.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Attachment 2: Schedule of Resettlement Implementation and Civil Works

<table>
<thead>
<tr>
<th>Activity</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undertake consultation and participation programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Establish PMU</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training of resettlement staff by the PMU, assisted by the consultants</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Appoint an external independent monitoring agency</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convene resettlement committees</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carry out joint verification of inventory of losses and detailed measurement survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carry out replacement cost survey</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Verify income restoration assistance (or rehabilitation measures)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering investigation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Detailed technical design</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Update compensation rates and apply Project entitlements</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Update RP and obtain ADB concurrence</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present compensation payment to APs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assist in relocating APs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commence surveys to identify secondary APs</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Preparation for RP implementation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RP implementation and relocation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>2004</td>
<td>2005</td>
<td>2006</td>
<td>2007</td>
<td>2008</td>
<td>2009</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
<td>------</td>
</tr>
<tr>
<td>Implement monitoring (to be</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>done regularly)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Awards of contract for civil</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Start of civil works</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>construction</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Post resettlement evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(6-12 months after completion</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>of all resettlement activities)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Attachment 3: Resettlement Budget Estimates

<table>
<thead>
<tr>
<th>Town</th>
<th>Direct Resettlement Costs (USD)</th>
<th>Contingency (10%)</th>
<th>Administration Costs (8.5%)</th>
<th>Overall Contingency (10%)</th>
<th>Total Resettlement Cost (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thanh Hoa</td>
<td>807,539</td>
<td>80,754</td>
<td>75,505</td>
<td>96,380</td>
<td>1,060,178</td>
</tr>
<tr>
<td>Ha Tinh</td>
<td>1,126,587</td>
<td>112,659</td>
<td>105,336</td>
<td>134,458</td>
<td>1,479,040</td>
</tr>
<tr>
<td>Dong Ha</td>
<td>1,096,915</td>
<td>109,691</td>
<td>102,562</td>
<td>130,917</td>
<td>1,440,085</td>
</tr>
<tr>
<td>Lang Co</td>
<td>560,883</td>
<td>56,088</td>
<td>52,442</td>
<td>66,941</td>
<td>736,354</td>
</tr>
<tr>
<td>Tam Ky</td>
<td>1,313,677</td>
<td>131,368</td>
<td>122,829</td>
<td>156,787</td>
<td>1,724,661</td>
</tr>
<tr>
<td>Quang Ngai</td>
<td>1,000,820</td>
<td>100,082</td>
<td>93,577</td>
<td>119,448</td>
<td>1,313,927</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>5,906,420</strong></td>
<td><strong>590,642</strong></td>
<td><strong>552,251</strong></td>
<td><strong>704,931</strong></td>
<td><strong>7,754,244</strong></td>
</tr>
</tbody>
</table>

Source: Project estimates (17 July 2003).

*Difference of $1 due to rounding off of figures to the nearest dollar.
### Land Acquisition and Compensation costs in US$000's

**As of 17 July 2003**

<table>
<thead>
<tr>
<th>Description</th>
<th>Thanh Hoa</th>
<th>Ha Tinh</th>
<th>Dong Ha</th>
<th>Lang Co</th>
<th>Tam Ky</th>
<th>Quang Ngai</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Unit</strong></td>
<td>Qty</td>
<td>Amt</td>
<td>Unit</td>
<td>Qty</td>
<td>Amt</td>
<td>Unit</td>
<td>Qty</td>
</tr>
<tr>
<td><strong>Drainage and Flood Protection</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>ha</td>
<td>0</td>
<td>ha</td>
<td>27</td>
<td>889</td>
<td>ha</td>
<td>3</td>
</tr>
<tr>
<td>Crops/tree</td>
<td>ha</td>
<td>0</td>
<td>ha</td>
<td>14</td>
<td>29</td>
<td>ha</td>
<td>5,812</td>
</tr>
<tr>
<td>House/Structure</td>
<td>m2</td>
<td>1,000</td>
<td>m2</td>
<td>1,903</td>
<td>66</td>
<td>m2</td>
<td>4,844</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>HH</td>
<td>0</td>
<td>HH</td>
<td>646</td>
<td>170</td>
<td>HH</td>
<td>283</td>
</tr>
<tr>
<td>Subtotal Drainage</td>
<td>43</td>
<td>1,133</td>
<td>1127</td>
<td>0</td>
<td>1,441</td>
<td>827</td>
<td>4,572</td>
</tr>
<tr>
<td><strong>Wastewater &amp; Public Sanitation</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>ha</td>
<td>13</td>
<td>ha</td>
<td>62</td>
<td>149</td>
<td>ha</td>
<td>0</td>
</tr>
<tr>
<td>Crops/tree</td>
<td>ha</td>
<td>13</td>
<td>ha</td>
<td>0</td>
<td>0</td>
<td>ha</td>
<td>3</td>
</tr>
<tr>
<td>House/Structure</td>
<td>m2</td>
<td>0</td>
<td>m2</td>
<td>0</td>
<td>0</td>
<td>m2</td>
<td>1</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>HH</td>
<td>315</td>
<td>HH</td>
<td>0</td>
<td>0</td>
<td>HH</td>
<td>135</td>
</tr>
<tr>
<td>Subtotal Drainage</td>
<td>368</td>
<td>0</td>
<td>0</td>
<td>225</td>
<td>0</td>
<td>0</td>
<td>593</td>
</tr>
<tr>
<td><strong>Solid Waste Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>ha</td>
<td>16</td>
<td>ha</td>
<td>5</td>
<td>93</td>
<td>ha</td>
<td>7</td>
</tr>
<tr>
<td>Crops/tree</td>
<td>ha</td>
<td>16</td>
<td>ha</td>
<td>5</td>
<td>11</td>
<td>ha</td>
<td>7</td>
</tr>
<tr>
<td>House/Structure</td>
<td>m2</td>
<td>0</td>
<td>m2</td>
<td>0</td>
<td>0</td>
<td>m2</td>
<td>0</td>
</tr>
<tr>
<td>Rehabilitation</td>
<td>HH</td>
<td>387</td>
<td>HH</td>
<td>9</td>
<td>2</td>
<td>HH</td>
<td>0</td>
</tr>
<tr>
<td>Subtotal Drainage</td>
<td>478</td>
<td>106</td>
<td>79</td>
<td>392</td>
<td>4</td>
<td>274</td>
<td>1,333</td>
</tr>
<tr>
<td><strong>TOTALS</strong></td>
<td>888</td>
<td>1,239</td>
<td>1,207</td>
<td>617</td>
<td>1,445</td>
<td>1,101</td>
<td>6,497</td>
</tr>
</tbody>
</table>

**NOTE:**
- Total includes built in 10% contingency.
- Administration costs listed separately in detailed cost estimate.

| Base   | 5,906,420 |
| Cont   | 6,497,062  |
| Admin  | 7,049,312  |
| Cont   | 7,754,244  |