

# Resettlement Due Diligence Report

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Annual Report  
July 2015

## VIE: Water Sector Investment Program (Tranche 2)- Construction of Phong Dien Water Treatment Plant

Prepared by the Thua Thien Hue Provincial People's Committee, Thua Thien Hue Construction and Water Supply State One Member Co., Ltd (HUEWACO) and the Asian Development Bank.

## ABBREVIATIONS

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ADB	=	Asian Development Bank
AP	=	Affected Persons
CLFD	=	Center for Land Fund Development
DSC	=	Design and supervision consultant
EARF	=	Environmental assessment and review framework
EIA	=	Environmental impact assessment
EMP	=	Environmental management plan
GDP	=	Gross domestic product
IEE	=	Initial environmental examination
LIBOR	=	London interbank offered rate
MFF	=	Multitranches financing facility
MOF	=	Ministry of Finance
MPI	=	Ministry of Planning and Investment
NGOs	=	Non-government organizations
PMU	=	Project Management Unit
SBV	=	State Bank of Vietnam
SPS	=	Safeguard Policy Statement
TOR	=	Terms of Reference

### NOTE

- (i) In this report, "\$" refers to US dollars.

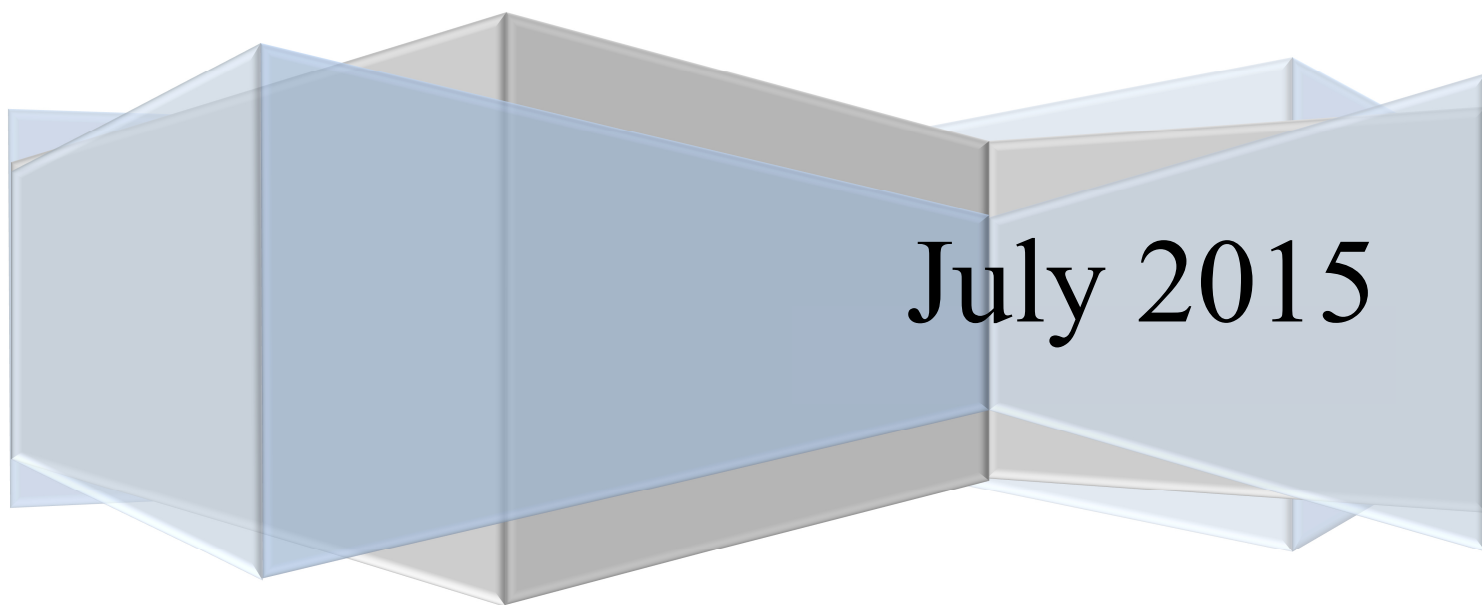
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**THUA THIEN HUE PROVINCIAL PEOPLE COMMITTEE  
THUA THIEN HUE CONSTRUCTION AND WATER SUPPLY STATE  
ONE MEMBER CO., LTD (HUEWACO)**

**CONSTRUCTION OF PHONG DIEN WATER TREATMENT PLANT**

**RESETTLEMENT DUE DILIGENCE  
REPORT**



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## I. INTRODUCTION

### 1.1. MFF DESCRIPTION

The Government of Vietnam has entered into a Framework Financing Agreement (FFA) with the Asian Development Bank for up to \$1,000 million to finance the Vietnam Water Sector Investment Program. ADB's Board of Directors approved a multitranche financing facility (MFF0054-VIE) on 22 February 2011 to finance the Program <sup>1</sup>

The MFF assists water supply companies in Viet Nam to access financing, strengthen their business practices and improve their operational and financial performance. The Program will also support capital investment in Vietnamese water companies and co-finance the National Non Revenue Water (NRW) Program. The Program will utilize the MFF to provide longer-term support and flexibility for institutional reform of the Viet Nam Water Sector for the next 10 years. The MFF would be used as seed money to leverage parallel co-financing, but most importantly prepare access to commercial finance and increased private sector participation. The funds will be made available in tranches through loans, depending on the need and implementation capacity of the water companies. Four pilot cities, Da Nang, Hai Phong, Ho Chi Minh City (HCMC) and Hue were identified for project preparation<sup>2</sup> in 2008. The first Periodic Financing Request (PFR1) of the MFF has only covered HCMC. The second Period Financing Request (PFR2) have covered 6 cities: Hai Phong, Quang Tri, Hue, Da Nang, Binh Duong and Dak Lak. The third Period Financing Request (PFR3) will cover 7 cities/towns: Bac Giang, Thai Nguyen, Nghi Son Economic Zone (Thanh Hoa province), Vinh City, Cua Lo town, Thai Hoa town (Nghe An province), and Thua Thien Hue .

**Impact:** The impact of the proposed MFF will be the sustainable provision of safe water in Viet Nam.

**Outcome:** The outcome will be improved efficiency of Vietnamese water companies

**Outputs:** The outputs of the MFF will be: (i) increased coverage, in line with the requirement from the Draft SEDP 2011-2015 and the Orientation Plan for Urban Water Supply to 2025<sup>3</sup> from 59% in 2010 to 90% by 2020; (ii) improved business planning (drafting annual business plans),

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<sup>1</sup> ADB.2011. Report and Recommendation of the President to the Board of Directors Water Sector Investment Program Multitranchise Financing Facility MFF0054-VIE

<sup>2</sup> The Asian Development Bank (ADB) provided four project preparatory technical assistance consolidated into the MFF: ADB, 2008, *Technical Assistance to the Socialist Republic of Viet Nam for preparing the Da Nang Water Supply Project* (TA7144-VIE), Manila; ADB, 2008, *Technical Assistance to the Socialist Republic of Viet Nam for preparing the Hai Phong Water Supply Project* (TA7151-VIE), Manila; ADB, 2008, *Technical Assistance to the Socialist Republic of Viet Nam for preparing the Ho Chi Minh City Water Supply Project* (TA7091-VIE), Manila; ADB, 2008, *Technical Assistance to the Socialist Republic of Viet Nam for preparing the Hue Water Supply Project* (TA7089-VIE), Manila; ADB, 2008

<sup>3</sup> Decision 1929/2009/QD-TTg

financial management (targeting self financing ratios<sup>4</sup> of 20% and debt service ratios<sup>5</sup> of 1.20), and asset management (with an adequate level of information technology); and (iii) effective NRW reduction by at least 1% per annum or in line with the Orientation Plan for Urban Water Supply to 2025 to reduce NRW to 25% by 2015 and 18% by 2020 from a baseline of 30%.

## **1.2. PHONG DIEN WATER TREATMENT PROJECT**

The Province of Thua Thien Hue (TTH) in 2007 had an existing total population of 1,145,000 of which about 748,000 (65%) were rural and the remaining 397,000 (35%) urban. There has been and continues to be considerable migration from rural to urban areas as corresponding percentages for the year 1995 were 74% rural and 26% urban. The overall population growth rate has slowed steadily in the last few years from about 1.5% per annum for the 5-year period up to the year 2000 to about 1% for the 5-year period up to the year 2007. The urban population growth is roughly twice that of the overall population, while the rural population growth has fallen to about 2/3 of the overall.

Improved access to water supply and sanitation are amongst the most pressing needs of the residents of and visitors to Thua Thien Hue Province, particularly the poor people who live in the province. Domestic water supplies and environmental sanitation contribute to improving livelihoods in a wide range of ways. They are crucial to health and well-being, and can make an important contribution to food production and income-generating activities. However, as the demand for water rises due to increasing populations and industrial development, many parts of the province will face increasing water scarcity and pollution risks.

In response to this situation, the TTH People's Committee prepared the Socio-Economic Development Plan (SEDP) in Thua Thien Hue Province until 2020.

The TTH Water Supply Project added to this SEDP by proposing infrastructures in order to meet the SEDP requirement and the water demand in the province until 2020. Therefore, the main objective of the project is to increase provincial water supply coverage up to 90%, from an estimated 50% at present.

The project also aims to contribute to the establishment of Hue City as a liveable, competitive and sustainable city, strengthening its role as the provincial capital serving the social and economic development of the province. It is a coherent and multi-sectoral project that targets strategic infrastructure and socio-economic development to support industry and tourism development and lay the foundation for achieving the Hue Province SEDP goal of Class 1 city status for Hue City by 2015. This will contribute to building a back-bone of intermediate towns which play an important role in the region as well as at the national level. The expected long term impacts of the comprehensive development of Hue City will be urban growth, a reduction of rural migration to Hanoi and Ho Chi Minh City and employment creation leading to poverty alleviation. The project also intends to establish a model of well-managed and functional urban development that can be replicated in other medium sized cities.

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<sup>4</sup> Revenues to take in full cost recovery (sufficient to cover operation and maintenance costs prior to depreciation, increases in working capital, and debt service) plus a minimum of X% of average capital expenditure over a 3-year period (previous year, current year and next year).

<sup>5</sup> A positive DSR allows the water company to cover its debt service and possibly take on additional debt for future capital expenditures.





## **II. METHODOLOGY**

### **2.1. FOCUS OF DUE DILIGENCE REVIEW**

This review focuses on the involuntary resettlement in the locations designed for building the water plant and the pipelines. The objective of the review is to ensure that all resettlement activities which have been carried out are full compliance with the provisions of the Government of Viet Nam and the Involuntary Resettlement Policy of the Asian Development Bank. The methodology and approach of the Due Diligence Review is based on the guidance of the Asian Development Bank in ADB SPS-2009 and including:

- i) Review and evaluate formal documents prepared by the agencies in charge of the resettlement and confirm the compliance with the Government's provisions in the compensation and resettlement.
- ii) Review and analyze processes and procedures which have been carried out by Project Management Unit, Centre for Land Fund Development of Phong Dien District and People's Committees of Phong Thu commune and Phong Dien district town.
- iii) Carry out field survey in the Project area, visit the construction area of water plant and the pipelines.
- iv) Conduct an interview with all 28 affected households who are living in Phong Dien town and Phong Thu commune of Phong Dien district to evaluate the households' satisfaction level after they receive the compensation and assistance.
- v) Interviews also conducted to some people living near the project area as the control samples.
- vi) Implement an interview with Hue PMU officials, key officers and employees of the Center for Land Fund Development, People's Committee leaders of Phong Dien district town and Phong Thu commune to collect information related to the resettlement activities and other necessary information.
- vii) Meetings with some representatives of affected households and social organizations such as the Women' Union, Veteran's Union, National Frontier and the Farmer's Association of the affected commune. The questions discussed during the meeting were: (i) compensation prices; (ii) availability of land; (iii) assistance for severely APs; (iv) measures to help APs to restore income; (v) and other social issues.
- viii) Evaluate the consistency with the objective and policies of the Asian Development Bank related to the implementation of the livelihood restoration activities for affected persons.

## **2.2. METHODOLOGY**

### **Secondary information collection and processing method**

The secondary data analysis method is related to the use of available data (digital and textual information), which is collected from the Project Management Unit, Center for Land Fund Development of Phong Dien District and the project implementation agencies on what is relating to the compensation and site clearance. The document analysis research in office, evaluation of land acquisition and resettlement activities have given an overview of the community participation in the activities in the project area. The relevant policies of the Government, local authorities have been collected and examined to find out a legal framework and regulations for the implementation of the project works which have been made earlier.

### **Consultation method**

The stakeholder consultation method allows the Consultant to get more information in the evaluation of project activities. Feedback from beneficiaries, participating organizations and managers, including social groups, different organizations have offered a multi-dimensional panorama to be aware of the actual implementation of the project. The interview was carried out with the authorities, relevant government officials, Project Management Unit, Center for Land Fund Development, Commune People's Committee leaders and affected household representatives to confirm how the compensation was made and if people's livelihoods are restored completely.

The activities conducted to prepare this report, were the following:

Meetings with all stakeholders (commune's People's Committees, local social organizations such as Women's Unions, Farmer's Association, Department of Labour Invalids and Social Affairs, Center for Land Fund Development of Phong Dien district);

Meetings with affected persons and site visits;

Preparation and implementation of a survey to all affected households through household questionnaire; and

Preparation of a Replacement Cost Survey

## **2.3. MEETINGS WITH APs AND LOCAL ORGANIZATIONS**

Meetings with affected households and local social organizations such as the Women' Union, Veteran's Union, National Frontier and the Farmer's Association of the affected commune. The questions discussed during the meeting were: (i) compensation prices; (ii) availability of land; (iii) assistance for severely affected APs; (iv) measures to help APs to restore income; (v) and other social issues.

## **2.4. HOUSEHOLD QUESTIONNAIRE**

The purpose of the survey was to collect socioeconomic information (livelihood, income, etc.), to identify the extent of losses for APs (especially severely affected APs), the actual status of APs,

the compensation received (including assistance), and the satisfaction with the compensation policy and the compensation rates.

All 25 affected households were interviewed, and they are located in Phong Thu commune and Phong Dien town of Phong Dien district.

## **2.5. REPLACEMENT COST SURVEY**

To assess if the compensation prices paid to APs (based on PPC prices) meet replacement costs, a replacement cost survey was conducted. This survey focused on different types of trees, and house/structures.

Due to land acquired for the project implementation is HHs land and public land managed by the Forestry Company of Phong Dien district, objective of the replacement cost survey was to undertake an independent classification and valuation of trees and structures in the Project area based on current market value of trees and structures. Direct interviews have been undertaken with local people in the Project's affected area, including those whose trees and structures are affected and those whose trees and structures are not affected. The interviews covered the following issues:

- The price, at which owners are willing to sell their different types of trees, structures and
- PPC established rates for trees and structures.

## **2.6. DUE DILIGENCE REVIEW**

The Project Social Development Specialist carried out the review in May 2015 to assess the compensation and resettlement implemented by the Center for land Fund Development of Phong Dien district. The Consultant visited Center for Land Fund Development and location for building the Phong Dien Water Treatment Plant. Meetings and interviews with persons responsible for providing important information, interviewing managers and employees directly performing the compensation and site clearance activities, consultation with affected persons were organized. reviewed to confirm that the resettlement compensation for the Phong Dien Water Treatment Plant has been completed with clean surface.

# **III. THE PROJECT AREA**

As indicated above, the land acquisition already took place in the construction areas of water treatment plant, and a resettlement due diligence is required.

## **3.1. LOCATION OF THE PROJECT AREA**

The water treatment plant construction area is located in Phong Thu commune, Phong Dien district; and transmission pipeline system installed along Phong Thu commune and Phong Dien town, Thua Thien Hue province.

### 3.2. SOCIOECONOMIC PROFILE OF AFFECTED PERSONS

#### 3.2.1. Average Land Size of the affected households outside the project area

Farmers in the project area owned an average of 1,500-3,500 m<sup>2</sup> of agriculture land per household. About 24% of the farmers owned an area between 1,500 and 2,500 m<sup>2</sup>, and 52% of the farmers owned an area between 2,500-4,500 m<sup>2</sup>. No any owned agricultural land more than 4,500 m<sup>2</sup>. Only one households owned an area less than 1,500 m<sup>2</sup> (see details in table 3-1 below). All of them have land use right certificate.

**Table III-1: Area of Land Size outside the Project Area**

Commune/ town	No of surveyed APs (HH)	Area of agriculture land owned by AP (m <sup>2</sup> )									
		<1,500		1,500-2,500		2,501-3,500		3,501-4,500		>4,500	
		HH	%	HH	%	HH	%	HH	%	HH	%
Phong Thu	18	1	5.56	4	22.22	9	50.00	4	22.22	0	-
Phong Dien	7	0	-	2	28.57	4	57.14	1	14.29	0	-
Total	25	1	4.00	6	24.00	13	52.00	5	20.00	0	-

Source: Socio-economic survey 2015

#### 3.2.2. Economic Activities of Affected Persons

The result of socio-economic survey shows that all the AHs are involved in farming activity although there are other activities that they derive their income from. The table below shows main sources of income of affected households.

**Table III-2: HHs main source of income of Affected Persons**

Commune/ town	Surve yed	Agriculture		Trading – retail		Services		Hired labor		Wages / salary		Aquaculture		Government		Other	
		HH	%	HH	%	HH	%	HH	%	HH	%	HH	%	HH	%	HH	%
Phong Thu	18.0	18.0	100.0	11.0	61.1	-	-	2.0	11.1	2.0	11.1	-	-	-	-	3.0	16.7
Phong Dien	7.0	7.0	100.0	3.0	42.9	2.0	28.6	-	-	-	-	-	-	2.0	28.6	-	-
Total	25.0	25.0	100.0	14.0	56.0	2.0	8.0	2.0	8.0	2.0	8.0	-	-	2.0	8.0	3.0	12.0

Source: Socio-economic Surveys (2015)

#### **Main Source of Income**

The result of socio-economic survey shown that 100% of affected households participating in agriculture production and their main income is from farming. The average income from agriculture production is not so high, from VND 3.4 to 7.3 million per household per month but it

is stable income. Other sources of income such as business, services, employee, etc but are secondary income of households.

### **Secondary Source of Income**

Most of the affected people in Phong Thu commune are living near the town and forest area, so that they have opportunity to work part time for the Forestry Company of Phong Dien district and some households take part in a small business. The socio-economic survey's result shown 14 households (56%) having secondary income from business-retail activity. This activity managed by women (wives), they sold vegetables and other farming products to the market and considered as their main secondary source of income.

### **Income of Affected Persons**

In the project area, the average income of household is from 5,000 000-10,000,000 VND per month.

It is noted that in some cases income from trading service is much higher than income from agriculture production.

**Table III-3: Average income per HH per month by area**

Commune/town	Average Amount of Income per HH per month		
	From primary source	From secondary source	From all sources
Phong Thu	3,436,000.0	1,332,000.0	4,768,000.0
Phong Dien	7,300,000.0	2,071,000.0	9,371,000.0

*Source: Socio-economic Survey (2015)*

### **Land Tenure**

**Table III-4: Tenure of land outside project area**

Location	Surveyed HH	Legal status of land					
		LURC		Eligible		No legal rights	
		HH	%	HH	%	HH	%
Phong Thu	18	18	100	0		0	
Phong Dien	7	7	100	0		0	
Total	25	25	100	0		0	

*Source: Socio-economic Survey (2015)*

#### **3.2.3. Incidence of Poverty**

Nobody among the APs is classified as poor household.

The national poverty line in period of 2011-2015 is VND under 400,000 per capita per month for rural areas, and under VND 600,000 per capita per month for urban areas.

### 3.2.4. Ethnic groups

In the project area, the Kinh ethnic group accounts for 100% of the population.

Results from the socio economic survey showed that no APs belonging to ethnic minority groups were found in the affected population.

### 3.2.5. Health, Education and Gender Issues

#### **Health**

In affected commune, there is a health center and a central hospital in the district town. No specific diseases have been reported in the project area.

#### **Education**

In affected commune and district town have its own primary and secondary schools. High schools can be found in Phong Dien district town.

No HH head in Phong Thu commune and Phong Dien town declared to have no education. Most of the HH heads have completed a lower secondary school and upper secondary school.

**Table III-5: Academic Level of HH head**

Commune	Surveyed HH	No Education		Primary not Completed		Primary		Lower secondary		Upper secondary		Other	
		HH	%	HH	%	HH	%	HH	%	HH	%	HH	%
Phong Thu	18	0	0	0	0	3	16,67	10	55,56	5	27,78	0	0
Phong Dien	7	0	0	0	0	0	-	3	42,86	4	57,14	0	0
Total	25	0	0	0	0	3	12,00	13	52,00	9	36,00	0	0

*Source: Socio-economic Survey (2015)*

### 3.2.6. Gender issues

Women are involved in field work and share the same tasks as well as men. In addition, women are take part in the farming and responsible for the housekeeping work.

**Table III-6: Allocation of family work between members**

Activities	Husband	Wife	Both	Others
<b>Household activities</b>				
Managing the money	9	14	2	0
Doing housework	2	18	5	0
Making major financial decisions (on buying expensive items: house, land, motorbike, etc.)	12	3	10	0
Making decisions on your children's education & occupations	13	6	6	0

Activities	Husband	Wife	Both	Others
Making decisions on your children's marriages	5	4	16	0
<b>Economic activities</b>				
Farming	3	4	18	
Harvesting	4	4	17	
Kitchen gardening	3	5	9	

Source: Socio-economic Survey (2015)

### 3.3. PROJECT IMPACTS

There were 25 households and one state organization (representative is Forestry Company of Phong Dien district) affected by the construction of Phong Dien Water Treatment and Supply Plant. Among affected households, two households have to re-arrange, of which one relocated on remaining land behind, and another relocated on the land of his parents. Other households have secondary structures and trees affected, all affected assets and land have been measured and compensated following the Government's regulations and resettlement policy. Affected households have received full compensation and allowances and have no any complaints. Affected people have already handed over the land to the project for construction of water treatment plant.

Land acquired for the construction of water treatment plant is mainly forestry land (8,351.8 m<sup>2</sup>, occupying about 67.1%), secondly is land for perennial trees (2,538.2 m<sup>2</sup>, about 20.9%, land for annual trees is about 948.9 m<sup>2</sup> (7.6%) and only 610 m<sup>2</sup> of residential land (4.9%). Table 3-7 below presents details of land acquisition.

**Table III-7: Scope of land acquisition and compensation costs**

	Land acquisition	No. of AHH	Quantity (m <sup>2</sup> )	Compensation costs (VND)
<b>I</b>	<b>Non agriculture land</b>	<b>4.0</b>	<b>610.0</b>	<b>21,350,000</b>
1	Residential land	4.0	610.0	21,350,000
<b>II</b>	<b>Agriculture land</b>	<b>21.0</b>	<b>11,838.9</b>	<b>65,202,860</b>
2	Annual trees land	8.0	948.9	10,248,120
3	Perennial trees land	5.0	2,538.2	42,413,400
4	Production forestry land	8.0	8,351.8	12,541,340
<b>III</b>	<b>Allowance for loss of production land</b>			<b>86,421,431</b>
	<b>Total</b>	<b>25.0</b>	<b>12,448.9</b>	<b>238,177,151</b>

There were 2 affected households who lost houses and have to moved and individual relocated. 28.38m<sup>2</sup> of house class 4 and 39.61m<sup>2</sup> of temporary house to be demolished. Other secondary structures such as livestock pens, cement yards, water tanks and 15 graves affected by the project. Details shown in Table 3-8 below. The project resettlement impacts are limited. Affected people received full allowances, including transport support, accommodation allowance, support for land filling in new relocation place. All affected assets have been recorded and fully compensated (see Table 3-9).

**Table 3-8: Houses, structures and trees affected by the project**

	Types of impacts	Unit	Quantity	Compensation costs (VND)
<b>I</b>	<b>Structures</b>			<b>460,059,760</b>
1	House of class 4	m2	28.38	56,355,869
2	Temporary house	m2	39.61	33,760,703
3	Livestock pens/roofs	m2	86.86	48,970,549
4	Cement yards	m2	18.22	3,650,195
5	Wells	well	2	12,310,000
6	Biogas tanks	m3	16.766	46,243,256
7	Permanent concrete tombs	m2	97.12	178,086,918
8	Normal graves	grave	15.00	26,271,000
9	Other assets (cement poles, fences...)			54,411,270
<b>II</b>	<b>Trees</b>			<b>168,407,090</b>
1	Fruit trees	tree	105.00	13,815,167
2	Bananas, papya	tree	197.00	3,085,000
3	Wooden trees, bamboo	tree	3,792.73	138,810,190
4	Crops	m2	948.9	5,539,780
5	Other trees	tree		7,156,953
<b>III</b>	<b>Allowances</b>			<b>42,200,000</b>
1	Transport allowance			5,000,000
2	Accommodation allowance			7,200,000
3	Support for land filling in new place			30,000,000
<b>IV</b>	<b>Total</b>			<b>670,666,849</b>

**Table III-9: Compensation payment**

No	Name of affected HHs	Total compensation payment (VND)
1	Nguyen Van Do	5,317,000
2	Phan Xuan Hung	48,312,000
3	Le Duc Di	2,707,000
4	Le Thi Hue	116,452,000
5	Vo Dinh Long	5,750,000
6	Nguyen Van Phuong	9,066,000
7	Hoang Kinh	3,331,000
8	Hoang Tuat	11,709,000
9	Phan Thi Mot	114,016,000
10	Mai An	3,240,000
11	Le Duc Di	6,535,000
12	Tran Thi Dong	31,888,000
13	Phan Xuan Hoa	67,781,000
14	Le Quoc	190,405,000
15	Dong Huu Duy	117,000
16	Nguyen Chin	6,815,000
17	Nguyen Suy	1,910,000



18	Nguyen Chương	3,377,000
19	Đông Hữu Vung	1,788,000
20	Đông Hữu Chien	1,741,000
21	Nguyen Do	2,744,000
22	Nguyen Viet Huy	255,000
23	Nguyen Thi He	530,000
24	Forestry Company of Phong Dien district	70,589,000
25	Nguyen Thanh Hien	737,000
26	Nguyen Thi Ha	201,732,000
<b>Total compensation paid</b>		<b>908,844,000</b>

The result of investigation shows that household's name Nguyen Thi Ha, 75 years old (is vulnerable woman and is living alone) affected by the construction of water treatment plant and she is considered as vulnerable household and should be supported following project resettlement policy. Mrs. Nguyen Thi Ha is also relocated, she already received full compensation and allowances for her damaged assets and trees followed Government Resettlement Policy and had no any complaints. Recently, she had completely rearranged her house on her son land located nearby and her life is restored. However, because she is identified as vulnerable household and should receive an additional allowance provided by the Center for Land Funs Development of Phong Dien district. Due diligence consultant has discussed with HueWaco and Center for Land Fund Development of the district and they agreed to provide this allowance to Mrs. Ha. On 22 May 2015, the HueWaco together with CLFD and Phong Thu commune people's Committee have paid additional allowance to Mrs. Thu as requested by the consultant (see attached minute of payment).

### **3.3.1. Satisfaction with Compensation**

The review study was conducted through interviews with affected households, who stayed near the Phong Dien water treatment plant (including affected households and non-affected households), who live in new resettlement location to confirm the appropriateness of the compensation paid to affected households. The answers from interviewees confirmed that the compensation for site clearance was public and transparent. The payments of compensation were fully implemented. The compensation values provided include compensation for land, structures, plants and other moving support (for affected households).

The satisfaction with the compensation was investigated not only from affected people and also through interviews with local authority and social organizations shown all affected people were happy and satisfied with compensation rates for secondary structures and trees existed on land (Refer to Appendix 3, Minutes of Meeting).

### **3.3.2. Reestablishment of Livelihood**

Most of affected households (24/25 HHs) in Phong Thu commune have agricultural land in other non-affected places, average land area is around 4,500 m<sup>2</sup>/hh. However, the income of households do not only depend on agricultural production. They are also earning from different jobs as trading services and employee for Forestry Company of Phong Dien district.

No any households lost more than 10% of their landholdings and income property, it is therefore livelihood restoration program is not required. However, the Center for Land Fund Development of Phong Dien district had already paid an allowance of job change and job creation to households who lost agriculture land and considered as livelihood restoration allowance.

Questions about reestablishment of livelihood were undertaken to 2 affected houses, these two households have also agricultural land in other areas for paddy cultivation, and their income is not decreased. Discussion with local authority of Phong Thu commune concluded that the project did not much influenced on the livelihood of two households. Other affected households have agriculture land acquired but less than 10% of their productive landholdings. It is therefore, income restoration program is not required.

## **IV. PROJECT POLICY**

### **4.1. STATUS OF RESETTLEMENT ACTIVITIES**

Resettlement activities started in early 2012. DMS has been completed in December 2012. Full compensation and allowances paid to affected people in March 2013. Consultations were conducted to all affected people as well as local authority of Phong Dien town and Phong Thu commune (Refer to Appendix 4 on Consultation Meeting and Appendix 5 on DMS Form). All the APs met have participated in public meetings. Table 4.1 presents the status of resettlement activities in the Phong Thu commune.

**Table IV-1: Status of Resettlement Activities**

Activity	Date
Public meetings	May 2012
DMS	July - October 2012
Compensation payment	March 2013
APs handed over the site to project	April 2013

### **4.2. PROJECT IMPLEMENTATION ARRANGEMENTS**

#### **4.2.1. Hue Water Supply one Member Company Limited (Hue WaCo)**

The Thua Thien Hue Water Supply One Member Company Limited (Hue Waco) is the executing agency for the Phong Dien water supply project, under the responsibility of the Thua Thien Hue People's Committee (PPC).

The responsibilities of the Hue Waco:

- Coordinate with relevant agencies to implement resettlement activities.
- Participate as a member of the Center for Land Fund Development;
- Establish a database for each affected household;
- Monitor the compensation payment to affected households;

- Regularly contact with the relevant CLFD about the AHH list, pay compensation and settlement of complaints;
- Prepare and submit progress reports to the PPC; and
- Support to resolve complaints of affected households.

#### **4.2.2. Centre for Land Fund Development of Phong Dien district**

The Center for Land Fund Development of Phong Dien district is in charge of the resettlement activities. Hue WaCo is not in charge of the implementation of resettlement activities for Phong Dien water supply project.

The Phong Dien district CLFD has been assigned to work directly with Hue Waco to prepare and implement the compensation plan with other relevant agencies. The CLFD will oversee the implementation of the DMS and establish a database of AHs, impacts on property and livelihoods, as well as compensation and allowances.

Specific to the Project, the CFLD will execute the following tasks:

- Issue Notice of Land Acquisition when the project be formally approved;
- Inform AHs about Detailed Measurement Survey process;
- Conduct Detailed Measurement Survey;
- Prepare AHs database;
- Prepare compensation plans;
- Present proposed compensation amounts to AHs and explain in detail the AH's rights and entitlements based on Project policies and explain how compensation amounts were calculated;
- If compensation payments are acceptable to AHs, process payment and inform AHs of exact date of release of payment;
- Copies of compensation payment documents will be provided to AHs. Copies will also be provided to the Implementation and Support Consultants and external agency for monitoring and reporting, if needed.
- Review grievances in consultation with main stakeholders and HH who raised grievances, submit recommendation to solve grievance to District and Province PCs.

#### **4.2.3. Thua Thien Hue People's Committee (PPC)**

The Thua Thien Hue Provincial People's Committee (PPC) will be responsible overall for resettlement activities within its administrative jurisdiction.

#### **4.2.4. Peoples Committees of Phong Dien district**

The Peoples Committees of Phong Dien district are in charge, in collaboration with the Center for Land Fund Development of Phong Dien district in the planning and implementation of resettlement activities for water supply project area.

#### **4.2.5. Commune People's Committee**

The People's Committee of Phong Dien town and Phong Thu commune are assisting district authorities for resettlement activities. The Phong Dien town and Phong Thu communal PCs have already been involved in the planning and implementation of resettlement activities in the project area.

### **4.3. LEGAL AND RESETTLEMENT POLICY**

#### **4.3.1. Policy of Vietnam Government applied for the Project implementation**

The Center for Land Fund Development of Phong Dien district have followed Government of Vietnam Regulations on involuntary resettlement (Decrees 84/CP, 197/CP, 69/CP) and Thua Thien Hue PPC' Decision No. 18/2011/QD-UBND, dated 01 June 2011 on compensation, assistance and resettlement when the State recovers the land. Decision No. 448/2012/QD-UBND dated 20 March 2012 on amendment and supplementary of compensation rates for different types of house and structures, Decision No. 50/2011/QD-UBND dated 20 December 2011 on land prices and Decision No.369/2011/QD-UBND, dated 30 January 2011 on compensation rates for trees and crops.

#### **4.3.2. ADB Policy on Involuntary Resettlement**

The Safeguard Policy Statement (SPS) was approved by the ADB Board of Directors on 20 July 2009 and became effective on 20 January 2010 This includes Involuntary Resettlement Safeguards. The SPS and the safeguard requirements on involuntary resettlement supersede the ADB's Policy on Involuntary Resettlement (1995) policy on involuntary resettlement and the new Operations Manual section will supersede the Operations Manual on Involuntary Resettlement (OM/F2, 2006).

The objectives of the ADB Safeguards concerning Involuntary Resettlement are to avoid or minimize the impacts on people, households, businesses and others affected by the acquisition of land and other assets, including livelihood and income, in the implementation of development projects. Where resettlement is not avoidable, the overall objective of the ADB safeguards is to enhance, or at least restore, the livelihoods of all displaced persons<sup>1</sup> in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups by compensating for lost assets at replacement costs and by providing, as necessary, various forms of support.

The main policy principles are to:

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

Carry out meaningful consultations with affected persons, host communities, and concerned nongovernment organizations. Inform all displaced persons of their entitlements and resettlement options. Ensure their participation in planning, implementation, and monitoring and evaluation of resettlement programs. Pay particular attention to the needs of vulnerable groups, especially those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land, and ensure their participation in consultations. Establish a grievance redress mechanism to receive and facilitate resolution of the affected persons' concerns. Support the social and cultural institutions of displaced persons and their host population. Where involuntary resettlement impacts and risks are highly complex and sensitive, compensation and resettlement decisions should be preceded by a social preparation phase.

Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.

Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.

Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.

Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.

Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.

Disclose a draft resettlement plan, including documentation of the consultation process in a timely manner, before project appraisal, in an accessible place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final resettlement plan and its updates to affected persons and other stakeholders.

Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.

Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.

Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

ADB also issued safeguards requirement on Indigenous Peoples. In this Safeguard the term Indigenous refer to a distinct, vulnerable, social and cultural group possessing the following characteristics in varying degrees: (i) self-identification as members of a distinct indigenous cultural group and recognition of this identity by others; (ii) collective attachment to geographically distinct habitats or ancestral territories in the project area and to the natural resources in these habitats and territories; (iii) customary cultural, economic, social, or political institutions that are separate from those of the dominant society and culture; and (iv) a distinct language, often different from the official language of the country or region.

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

ADB's Policy on Gender and Development adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring that women participate and that their needs are explicitly addressed in the decision-making process. For projects that have the potential to have substantial gender impacts, a gender plan is prepared to identify strategies to address gender concerns and the involvement of women in the design, implementation and monitoring of the project.

Other policies of the ADB that have bearing on resettlement planning and implementation are the (i) Public Communications Policy (March 2005) and OM Section L3/BP (September 2005), and (ii) Accountability Mechanism (OM Section L1/BP, dated 29 October 2003).

## **V. RESULT OF DUE DILIGENCE STUDY**

### **5.1. REPLACEMENT COST SURVEY**

A replacement cost survey was conducted in the project area. Local authorities, affected persons and non affected persons were met. The survey focuses on different types of trees and on prices of construction materials.

## Methodology of Replacement Cost Survey

### **Objectives**

The purpose of the replacement cost survey is to determine the rates that will be used to compensate losses of crops, trees, and structures to ensure that project affected persons (APs) are compensated at the current market value. This is required in order to comply with the project policy framework of compensation at replacement cost at current market value, and to meet one of the project principles which is to ensure that (a) no one is left worse off with the project than without it, and (b) people affected by the project should be able to maintain, if not improve, their pre-project standard of living.

The established replacement costs must be equivalent to, or higher than, the prevalent market prices.

### **Approach**

The evaluation of replacement costs have been carried out based on information collected from both research and field work including surveys and data collection from people in the affected area, both those affected and those not affected.

Desk research will focus on relevant publications, materials of Government authorities, both at provincial, and district levels. However, these materials will play the supporting role only. As the work is aimed at obtaining reasonable replacement costs for different types of affected assets, market evidences are the factors which most strongly base the formulation of these costs. Surveys with people in the affected area, both those, whose assets are affected by the project, and those whose assets are not, will produce reliable data for evaluation.

### **Information Collection**

The data has been collected through interviews directly with owners of structures, trees and crops.

**For crops and trees:** along constructed project, local people plant trees such as wooden and timber trees.

Interviews were undertaken to people (affected and not affected) who owned the same types of timber and wooden trees in the locality. The interviews covered the prices at which owners were willing to sell or buy the trees.

**For structures,** the objective of this evaluation is to determine whether the provincial prices enable APs to rebuild their affected structures. The evaluation of compensation for affected structures is based on the principle of replacement cost. The information to base the evaluation will mainly be collected from direct interviews with parties involved, including owners of structures (both those whose structures are affected by the construction of water treatment plant and those whose structures are not affected).

The table below presents results of replacement cost survey .

**Table 5-1: Comparison of replacement costs with PPC's price units**

No.	Items	Unit	Prices issued by the PPC (VND)	Replacement costs (VND)	Compensation paid (VND)
<b>A</b>	<b>Land</b>				
1	Residential land	m2	35,000	30,000 – 35,000	35,000
2	Perennial crop land	m2	15,400	12,000-15,000	15,400
3	Forest Land	m2	2,600	2,000-2,500	2,600
<b>B</b>	<b>Architectural works</b>				
1	Category 4 houses	m2	1,891,000	1,600,000-1,800,000	1,891,000
2	Temporary houses	m2	538,000-889,200	450,000-500,000	538,000-889,200
3	Groundwater tank	m3	1,089,000	700,000-1,000,000	1,089,000
4	Water well, diameter of 120cm	m	600,000	500,000-600,000	600,000
5	Temporary structures	m2	449,000-495,000	450,000-480,000	449,000-495,000
<b>C</b>	<b>Trees and crops</b>				
1	Jack, tamarind	tree	99,000- 176,000	80,000- 160,000	99,000- 176,000
2	Grapefruit, Lime, Tangerine	tree	99,000-162,000	50,000-150,000	99,000-162,000
3	Eucalyptus/Melaleuca	tree	15,000-36,000	15,000-35,000	15,000-36,000
4	Banana	tree	19,000	10,000-15,000	19,000
5	Cassava	m2	2,200	1,700-2,000	2,200

*Category 4 houses are single storey solid construction structure (usually made in bricks)*

*Temporary structures are made from other materials such as bamboo and bamboo leaves and require periodic replacement.*

### **Trees**

There is no transaction activity for trees in the project area. However, the survey team had conducted interviews with local people and local authority. The result is that the compensation paid for different types of trees is 1.2-1.3 times higher than PPC rates.

### **Construction materials**

Compensation rates for construction material are reflected replacement costs at the time of compensation payment. However, at the time of due diligence the prices of some construction materials such as cement, brick, sand, stone, and wage of workers are the same in comparison with the time of compensation payment. The PPC rates and market prices for construction materials are really the same. So that affected people are satisfied with compensation paid by Center for Land Fund Development.



**Table 5-2: Comparison of Resettlement Policy Applied in Project Area with ADB Policy**

Types of Losses	ADB policy	Policy applied in project area	Gaps between ADB and applied policy
Residential & Agriculture land			
Residential land	Land for land compensation or cash compensation equivalent to market prices at the time of compensation payment.	Cash compensation by PPC rates (Decision No. 50/2011/QD-UBND)	Compensation rates are compliance with market prices and also consulted by affected people.
Agriculture land			
Forestry land			
Structures and Trees			
Main structures affected	Compensation at full replacement cost at current market value in cash with no deduction for depreciation or salvageable material	Cash compensation for structures according to TTH PC compensation prices for house & structures (Decision No.448/2012)	Compensation rates received by APs generally meet market rates.  Compensation rates have been multiplied with coefficient and accepted by affected people.
Trees	Compensation based on the type and age of the tree to be determined in consultation with APs	Cash compensation according to TTH PC compensation prices for trees and crops (Decision N0.369/2011)	Compensation rates received by APs meet market rates and are in consultation with the APs

## 5.2. THE GENERAL REVIEW OF COMPENSATION AND RESETTLEMENT ACTIVITIES OF PHONG DIEN WATER SUPPLY PROJECT

### *The process for the implementation of resettlement compensation:*

The public consultation meetings were conducted during the implementation of the compensation and site clearance. The first meeting was held before proceeding the detailed measurement survey (DMS). The second meeting was conducted after the DMS and fixing compensation rates. The third meeting took place after publicizing the compensation plan the competent authorities approved.

According to the records, all households joined the community consultation meetings. Households were informed about the project planning, land acquisition policy, legal framework, project impacts, compensation and resettlement policy and entitlement policy for affected persons. Comments, feedback and recommendations from households and mass organizations and unions were collected in the consultation meetings and took note by the Resettlement Committee and each case was reviewed in the compensation and resettlement plan.

### *Entitlement policy:*

The entitlements for affected households were approved by the People's Committee of Phong Dien district People's Committee in 2012 after the completion of the consultations with affected persons. The entitlements proposed for the compensation include the compensation for affected households and organizations. The types of affected properties which are compensated include damaged houses/structures, plants and crops to be occupied when they have not harvested

promptly. Supports and subsidies for affected households under the provisions of the Government of Vietnam are considered as part of the entitlement policy for affected households. The principle is as follows: (i) Compensation in cash at market prices for households whose agricultural land is affected (ii) Compensation in cash at replacement costs for damaged houses and structures, (iii) For the affected land, households are provided one of the two options, compensation in cash and subsidies for buying resettlement land or compensation of other land in resettlement sites, (iv) Households which must move are provided with moving costs, costs for renting accommodations when their land must be handed before finishing the construction of resettlement.

***Compensation and resettlement funding:***

The compensation and resettlement fund was provided by HueWaCo. Phong Dien District People's Committee to implement the compensation/resettlement (as defined by law/government regulations). Center for Land Fund Development of Phong Dien district made the compensation payment to affected households in accordance with the approved compensation plan.

***Livelihood Restoration Plan:***

The project impacts on income and livelihoods of affected households are different. Livelihood restoration activities were implemented through the provision of support and subsidies as part of the compensation plan in compliance with the standards and regulations of the Government of Viet Nam, including moving subsidies, stable living subsidies, training subsidies, house renting subsidies and special subsidies for affected persons who are vulnerable.

***Grievances Redress Mechanism:***

A standing unit that solves grievances was established with members from HueWaco, District Center for Land Fund Development, local authorities and social organizations. Complaints are all aspects related to the land acquisition, compensation and resettlement issues the Center for Land Fund Development receives and resolves satisfactorily. The information about addresses as well as instructions on the process of filing complaints in the districts/communes was provided publicly. All people are able to access and reflect their opinions and questions.

## **VI. CONCLUSION AND RECOMMENDATIONS**

Based on the research results, information provided by local authorities, interviews with the stakeholders, including HueWaco, representatives of the Center for Land Fund Development, local government agencies, affected households and field observations, the Due Diligence conclusions are as follow:

- (i) The Phong Dien Water Supply Project has created minor resettlement impacts on APs and the compensation and allowances paid were sufficient for affected people to restore their economic and social base.

- (ii) After discussion and agreement, HueWaco in cooperation with Center for Land Fund Development and local authority have paid an additional allowance of VND 2,400,000 to Mrs. Nguyen Thi Ha as a vulnerable household.
- (iii) The compensation and site clearance was completed in October 2013 by Center for Land Fund Development of Phong Dien district;
- (iv) The compensation plan was implemented by Center for Land Fund Development of Phong Dien district, which complies with the provisions of the Government's resettlement compensation policies and the entitlements for affected persons comply with the provisions of the Vietnamese law and the ADB Resettlement Policy;
- (v) Affected families received compensation and handed over land for the project;
- (vi) There are no any comments or complaints about the site clearance to HueWaco, Center for Land Fund Development of Phong Dien district, and Commune People's Committees.
- (vii) The livelihoods of affected households were fully restored.
- (viii) HueWaCo received and holds legal papers and hand-over records from Center for Land Fund Development of Phong Dien district and affected persons.
- (ix) The review and evaluation was made in May 2015, which confirmed that the compensation and resettlement for the Phong Dien water supply project complied with the government's laws/regulations and the ADB – SPS 2009.

## **Appendix 1: References:**

*Policy on Involuntary Resettlement*. 1998. Asian Development Bank.

Operational Manual on Involuntary Resettlement (OM/F2). 2003. Asian Development Bank.

ADB Safeguards Policy Statement (SPS). 2009.

Decree No. 197/2004/ND-CP dated 03 December 2004.

Decree No. 69/2009/ND-CP dated 13 August 2009.

Decision No. 18/2011/QD-UBND of Thua Thien Hue PC dated 01 June 2011.

Decision No. 448/2012/QD-UBND of Thua Thien Hue PC dated 20 March 2012, Decision No. 50/2011/QD-UBND of Thua Thien Hue PC dated 20 December 2011 and Decision No. 369/2011/QD-UBND dated 30 January 2011 on compensation rates for trees, crops and houses, structures.

Decision 3342/QD-UBND dated 4/12/2012 by Phong Dien District People's Committee on the approval of the detailed compensation and assistance plan for organizations and individuals in the area Project (Stage 1) in Phong Dien District, Thua Thien Hue province;

Decision 3428/QD-UBND dated 12/12/2012 by Phong Dien District People's Committee on the approval of the detailed compensation and assistance plan for organizations and individuals in the area Project (Stage 2) in Phong Dien District, Thua Thien Hue province.

## Appendix 2:

### List of persons met

	<b>Name of persons met</b>	<b>Agency</b>	<b>Position</b>
1	Truong Cong Nam	HueWaCo	Director
2	Mr. Minh	HueWaCo	Deputy Director
3	Tran Trong Lan	HueWaCo	Deputy Director
4	Le Nhu Ky Lan	HueWaCo	Staff
5	Nguyen Huu Duong	CLFD of Phong Dien District	Director
6	Truong Van Tuy	CLFD of Phong Dien District	Staff
7	Le Quang Kha	Forestry Company of Phong Dien district	Deputy Director
8	Nguyen Viet Thanh Tin	Forestry Company of Phong Dien district	Staff
9	Nguyen Huu Duong	Forestry Company of Phong Dien district	Staff
10	Dong Huu Quy	Phong Dien town	Chairman
11	Nguyen Viet Thanh Tin	Phong Dien town	Head of land management
12	Nguyen Van Lich	Phong Thucommune	Chairman
13	Le Van Hoa	Phong Thucommune	Youth Association
14	Doan Thi Quy	Phong Thucommune	Women's Union
15	Le Van Dung	Phong Thucommune	Farmers Union
16	Nguyen Huu Phuoc	Phong Thucommune	National Frontier

Appendix 3: Minute of meeting

**Summary of Public Consultation Meeting Minutes**

**WATER SUPPLY PROJECT IN THUA THIEN HUE PROVINCE**

**Water Treatment Plant in Phong Thu commune of Phong Dien district**  
***Minute of meeting on the water treatment plant and resettlement policy***  
***to be applied for affected people***

12 May 2015

**I. PARTICIPANTS**

**Employer's representatives** (Thua Thien Hue PPMU)

1. Mr. Tran Trong Lan - Position: Deputy Director of PMU
2. Mr. Le Nhu Ky Lan - Position: Staff

**Consultant's representatives**

1. Nguyen Xuan Nhan - Resettlement Specialist
2. Nguyen Van Manh - Resettlement Specialist

The representatives of governments and mass organizations of Phong Thu commune; Phong Dien town and CLFD of Phong Dien District; Forestry Company of Phong Dien district comprise.

Nguyen Huu Duong	CLFD of Phong Dien District	Director
Truong Van Tuy	CLFD of Phong Dien District	Staff
Le Quang Kha	Forestry Company of Phong Dien district	Deputy Director
Nguyen Viet Thanh Tin	Forestry Company of Phong Dien district	Staff
Nguyen Huu Duong	Forestry Company of Phong Dien district	Staff
Dong Huu Quy	Phong Dien town	Chairman
Nguyen Viet Thanh Tin	Phong Dien town	Head of land management
Nguyen Van Lich	Phong Thu commune	Chairman
Le Van Hoa	Phong Thu commune	Youth Association
Doan Thi Quy	Phong Thu commune	Women's Union
Le Van Dung	Phong Thu commune	Farmers Union
Nguyen Huu Phuoc	Phong Thu commune	National Frontier

And representatives of the families participating in the consultation meeting.

**II. CONTENTS OF CONSULTATION:**

1. The Employer's representative provided information on:
  - Description of the project scope and the sub-project scope of water treatment plant construction in Phong Dien District, Thua Thien Hue province
  - Project impacts on land acquisition;
  - Measures to mitigate land acquisition impacts on property on land;

- Compensation, support and resettlement policy of the Project;
  - Implementation Plans (the plan for mitigation measures, construction plan, compensation, support and resettlement plan, income rehabilitation plan);
  - Grievance Redress Mechanism.
2. The Investor's representative provided following documents:
- Project Information leaflets;
  - The Decision on Compensation Policy in Thua Thien Hue province and the compensation unit prices for land, structures, trees, crops in Thua Thien Hue province.
  - The Government documents relating to the compensation.

### **III. RESULTS OF CONSULTATIONS:**

- 3.1. The opinions about the water treatment plant construction:
- The ward and commune leaders, representatives of local mass organizations agreed with the project investment and the project design. During design process, the design consultant had consulted the local authorities and local people.
- 3.2. The opinions about land acquisition impacts:
- During the meeting, the Consultant presented the DMS results and the coefficient for compensation rates for land and property on land, the applicable compensation plans and the entitlements for affected people.
  - The DMS result was posted publicity to the affected households.
- 3.3. The opinions about policies and measures to mitigate land acquisition impact and property on land
- The mitigation measures are included in the project design through the consultations with the people.
- 3.4. The opinions about compensation, support and resettlement policy
- 3.4.1. Validity of compensated assets:
- Ensure that all affected households will receive full cash compensation for land and assets on land.
  - During the construction, if impacts arise, the statistics and compensation must be implemented fully.
- 3.4.2. The compensation unit prices for land and property on land:
- Leaders of the communes/wards and participants to the consultation meeting said that the compensation based on the replacement costs and the new issuance of unit prices applicable in 2012..
- 3.4.3. The assistances types and levels:
- The support policies comply with the general provisions of the Provincial People's Committee. The provincial support levels are appropriate and ensure the objectivity and the fairness.
- 3.4.4. The resettlement plan and resettlement assistance plan:

- Proposed to be resettled in place and rebuilding houses on remaining land (for households whose land is enough for rebuilding houses);
- Proposed to be inserted the resettlement in the residential areas of the ward to suit the household's production conditions and livelihoods.
- The PMU should inform the specific work plans for site clearance so that people can plan to hand over the site on schedule, especially for affected households whose houses are affected and must resettle in order that they can stabilize their lives soon.

3.4.5. The income restoration activities:

- The project does not seriously affect the lives and incomes of the households.
- The project assistance policy such as support for house renting, support for relocation, support for living stability and support for vulnerable group to ensure the living conditions of affected households, which are not affected negatively in during the project implementation.

3.5. The opinions about the compensation, support and resettlement plan, income rehabilitation plan and land acquisition:

- Leaders of the ward, commune and representatives of mass organizations all agreed with the implementation plan of compensation, support and resettlement of the Project.

3.6. The opinions about the Grievance Redress Mechanism.

- All participants agreed with the implementation of the Grievance Redress Mechanism for the settlement of complaints.

The meeting ended at 16.30h on the same day. Representatives of the ward, communal authorities, mass organizations and representatives of the people attending the meeting together read and agreed with the contents of the minutes of consultation meetings and as the undersigned.

**The representative of the  
ward people's committee  
(signed)**

**The representative of the mass organizations (signed)**

- Party Secretary: .....
- Representative of the Fatherland Front: .....
- Representative of the Women's Union.....
- Representative of the Farmers' Union .....
- Representatives of the affected households .....

- .....  
- .....

**The representative of the  
residential quarters:  
(signed)**

- .....
- .....

**The representative of the  
Employer  
(signed)**

**The representative of the Consultant  
(signed)**



