

Social Monitoring Report

Project Number: 50099-003
Compensation Completion Report
April 2022

Lao PDR: Fourth Greater Mekong Subregion
Corridor Towns Development Project

PS-CW03 - Thakhek Municipal Solid Waste
Subproject

Prepared by the Provincial Department of Public Works and Transport, Khammouane Province,
Lao PDR for the Asian Development Bank.

NOTE:

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**Lao People's Democratic Republic
Peace Independence Democracy Unity Prosperity**



**Ministry of Public Works and Transport
Department of Housing and Urban
Department of Public Works and Transport,
Khammouane Province**



**Fourth Greater Mekong Sub-Region Corridor
Towns Development Project
ADB Grant No. 0606**

**Compensation Completion Report:
PS-CW03 - Thakhek Municipal Solid Waste
Subproject**

April 2022

CURRENCY EQUIVALENTS

Currency Unit	-	Lao Kip (LAK)
	-	US Dollar (\$)
LAK 11,583	=	\$1.00

(as of 30 March 2022, <https://www.bol.gov.la/referenceRate>)

ABBREVIATIONS

ADB	-	Asian Development Bank
AP/AH	-	Affected person/affected household
COI	-	Corridor of impact
DMS	-	detailed measurement survey
DHUP	-	Department of Housing and Urban Planning (MPWT)
DPWT	-	Department of Public Works and Transport
EA	-	executing agency
EM	-	external monitor
GMS	-	Greater Mekong Sub-region
GRC	-	Grievance Redress Committee
GRM	-	grievance redress mechanism
Lao PDR	-	Lao People's Democratic Republic
LIC	-	loan implementing consultants
MPWT	-	Ministry of Public Works and Transport
PCU	-	Project Coordination Unit
PIB	-	project information booklet
PIC	-	Project Implementation Consultants
PMS	-	primarily measurement survey
PPSC	-	Provincial Project Steering Committee
PRC	-	Provincial Resettlement Committee
RCS	-	replacement cost study
ROW	-	right-of-way
RP	-	resettlement plan
SES	-	Socio-economic survey
SPS	-	Safeguard Policy Statement
UDAA	-	Urban Development Administration Authority

WEIGHTS AND MEASURES

ha	-	hectare
km	-	kilometer
m	-	meter
m ²	-	square meter

CONTENTS

I. INTRODUCTION	1
A. Scope and Purpose	1
B. Project Overview	1
C. Subproject Description	1
II. ANTICIPATED IMPACTS	5
A. Waste Pickers	5
B. Vulnerable Households	5
C. Land-Users	5
D. Summary of Impacts	6
III. PLANNED MITIGATION MEASURES	7
A. Waste pickers	7
B. Vulnerable households	7
C. Land users	7
IV. IMPLEMENTATION REPORT	8
A. Waste pickers	8
B. Vulnerable households	8
C. Land users	8
V. SUMMARY OF PLANNED AND ACTUAL COMPENSATION	9
VI. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION	10
VII. GRIEVANCES	11
VIII. APPENDICES:	12

FIGURES

Figure 1 – Project Location Map	2
Figure 2 – Subproject location.....	3
Figure 3 – Subproject layout	4

TABLES

Table 1- Vulnerable Households	5
Table 2 - Temporary land users	6
Table 3 - Summary of impacts	6
Table 4 – Planned compensation for land users encroaching on the 35ha project site.....	7
Table 5 – Allowances paid to Vulnerable AHs	8
Table 6 – Compensation paid to land users	9
Table 7 - Compensation Summary (LAK).....	9
Table 8 – Consultations and Meetings	10

I. INTRODUCTION

A. SCOPE AND PURPOSE

1. This Compensation Completion Report (CCR) is for PS-CW03 Thakhek Municipal Solid Waste Subproject located in Thakhek Town, Khammouane Province. The purpose of this CCR is to verify that affected persons have received compensation and other allowances in accordance with entitlements in the approved and published Land Acquisition and Compensation Plan (LACP) dated November 2020.

B. PROJECT OVERVIEW

2. The Government of Lao People's Democratic Republic (Lao PDR), with assistance from the Asian Development Bank (ADB), is implementing the Fourth Greater Mekong Sub-Region Corridor Towns Development Project (referred hereafter as GMS4) under ADB Grant No. 0606. The two towns in this project, Paksan of Bolikhamxay Province and Thakhek of Khammouane Province, are part of the North-South Economic Corridor (NSEC). These towns were chosen due to their economic potential, infrastructure constraints, and commitments to the project.

3. There are total 9 subprojects in the GMS4 project, of which 5 subprojects are in Thakhek Town:

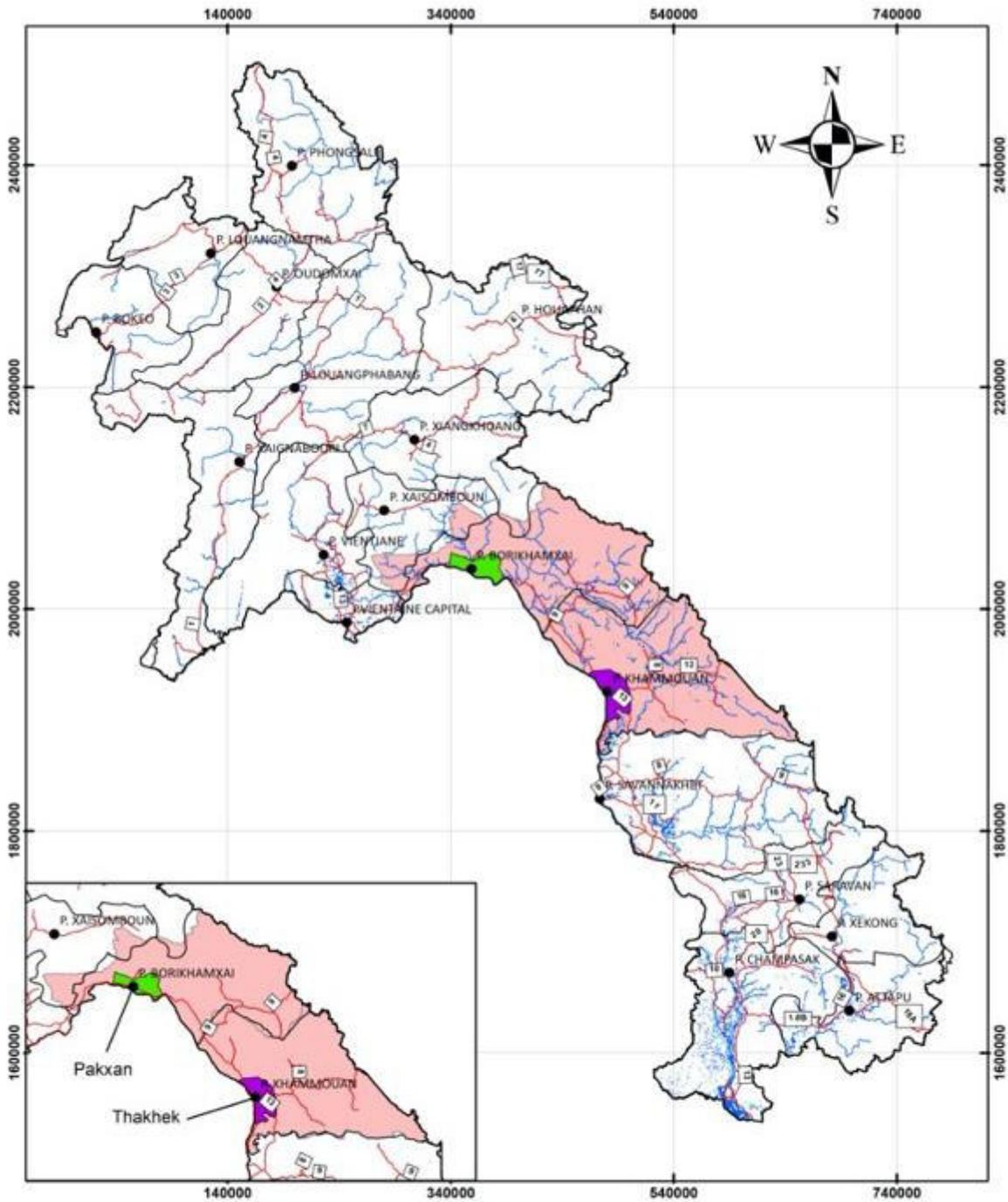
- Thakhek Municipal Solid waste
- Thakhek Storm Water Drainage
- Thakhek Riverbank Protection
- Thakhek DEWATs
- Thakhek Urban Renewal Heritage Conservation

4. The Ministry of Public Works and Transport (MPWT), assisted by its Department of Housing and Urban Planning (DHUP), is the executing agency (EA). At the provincial level, the Department of Public Works and Transport (DPWT), assisted by the Project Implementation Unit (PIU) of Thakhek, Khammouane Province, is the implementing agency (IA) for subprojects in Thakhek Town.

C. SUBPROJECT DESCRIPTION

5. The Thakhek Municipal Solid Waste Subproject involves construction of a new controlled landfill with lined cells to replace the existing uncontrolled 4ha dumpsite constructed in 1999. Three planned cells will be constructed, each 100mx100m with 10m final waste depth, which will provide capacity to hold the waste up to 2035. The subproject site is 35ha, which is part of a larger 95ha government land plot allocated for waste management. The site can be accessed through the National Road 13 South in Nabeub Village, about 9 kilometers south-east of the Thakhek city.

Figure 1 – Project Location Map



Legend

- Province
- Province Boundary
- Pakxan
- Thakhek
- Main Road
- Main River

Coordinate System : WGS 1984 UTM Zone 48N
 Projection : Transverse Mercator
 Datum : WGS 1984
 Units : Meter
 Scale 1:4,500,000
 0 100 200 Kilometers

Figure 2 – Subproject location

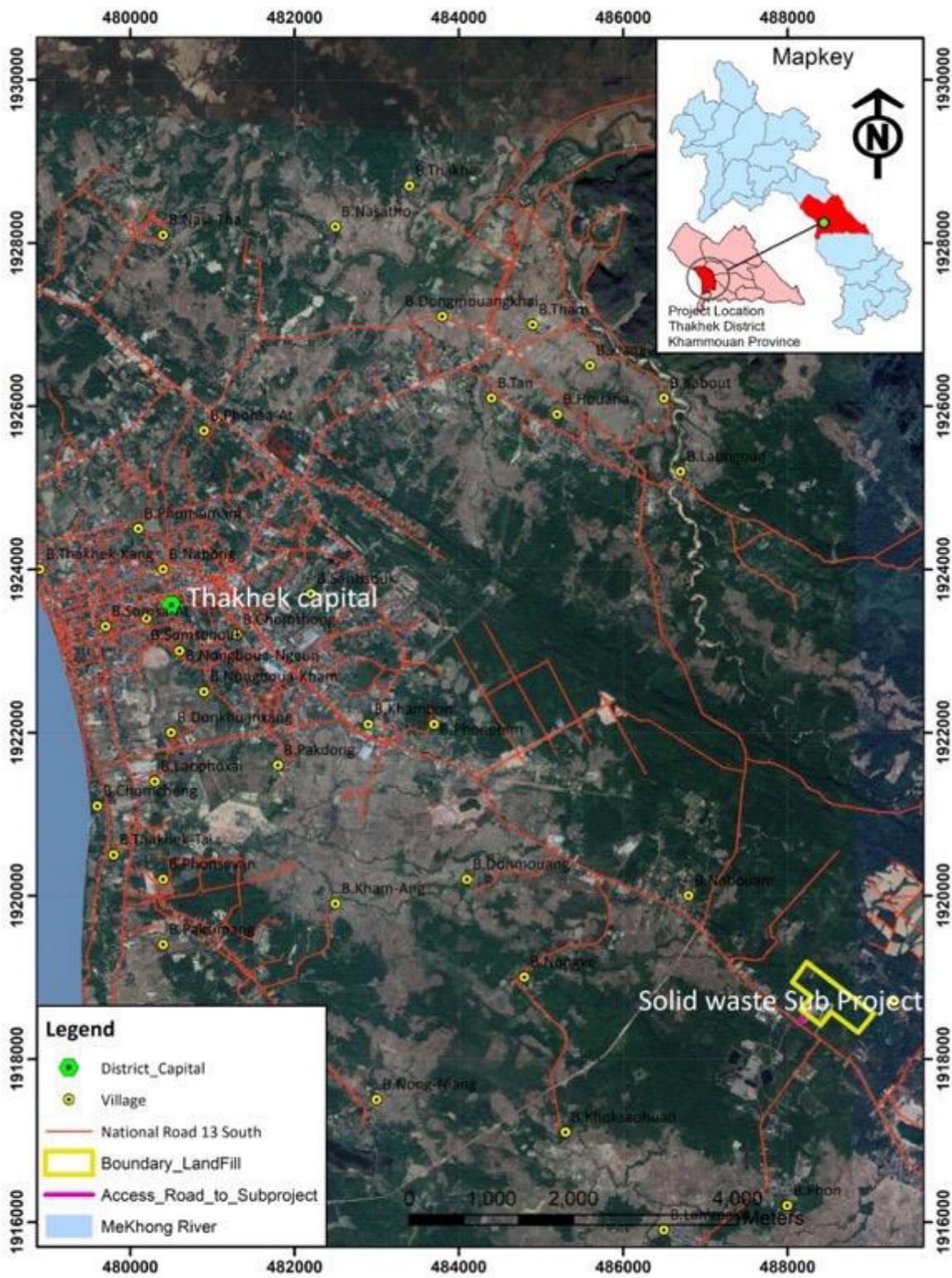
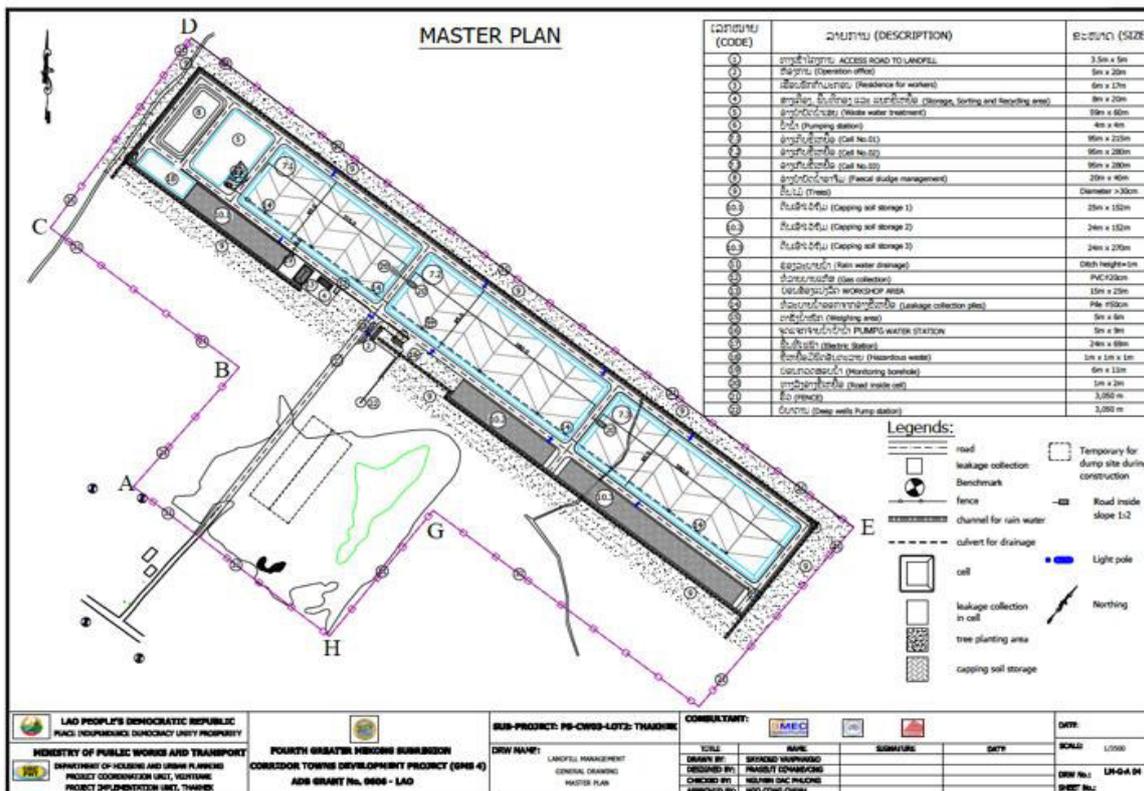


Figure 3 – Subproject layout



Source: Detail Design Report, March 2020

II. ANTICIPATED IMPACTS

A. WASTE PICKERS

6. The Resettlement Plan identified 16 regular waste pickers at the existing landfill site who were at risk of economic displacement if unable to continue livelihood activities at the new waste management facility.

B. VULNERABLE HOUSEHOLDS

7. Fourteen waste picker households were identified as vulnerable due to being below the poverty line, female headed households, elderly headed households or poor with a high number of dependents and totally reliant on waste picking for income.

Table 1- Vulnerable Households

HH-ID	Single Headed HH	Elderly Head of HH	Ethnic Group	Household Size	Per capita Monthly Income
				Total	
THK-003			Lao	4	300,000
THK-004			Phoutai	8	226,250
THK-005			Lao	5	280,000
THK-006			Lao	5	240,000
THK-008			Lao	4	250,000
THK-009			Makong	4	450,000
THK-010			Lao	8	337,500
THK-011			Phoutai	4	250,000
THK-012			Phoutai	7	214,286
THK-015		Yes	Makong	4	200,000
THK-016			Lao	4	225,000
THK-017			Makong	2	600,000
THK-018	Yes	Yes	Phoutai	5	126,667
THK-019			Lao	7	219,643
Total				71	-

C. LAND-USERS

8. During project preparation, a number of private land claims were reported across the 95ha site owned by UDAA, including 10 plots within the 35ha designated for the waste management subproject. Due diligence confirmed that the entire 95ha site is government-owned and allocated for landfill development in 1998. A field survey of the 10 plots encroaching the 35ha project site found that 7 plots had no agricultural land use or investments, two plots showed some minor investments (boundary fencing, fruit tree saplings), and one had several animal pens and water tanks. Annual land tax payments had been paid to the local village authority for 5 out of 10 plots in an effort to formalize the land claim. Following this due diligence review, in May 2020 the provincial land department annulled all private land claims on the site (Agreement no.1195/PONRE,KM, 18 May 2020) and agreed to compensate the claimants for land improvements made and land taxes paid.

Table 2 - Temporary land users

No	HH ID	Land Use (m2)	Structures/Investments	User fees/tax paid
1	THK_021	20,709	Wooden fence, fruit trees	Yes
2	THK_022	10,440	None	Yes
3	THK_023	9,913	None	No
4	THK_024	20,548	Barbed wire fence	Yes
5	THK_025	5,659	None	No
6	THK_026	7,497	None	No
7	THK_027	59,289	Animal pens, water tank, etc.	Yes
8	THK_028	20,909	None	Yes
9	THK_030	13,963	None	No
10	THK_171	83,132	None	No

D. SUMMARY OF IMPACTS

9. Table below summarizes impacts identified in the Resettlement Plan on account of the subproject.

Table 3 - Summary of impacts

Type of asset	Description of Impact	AHs
Access to Land	Loss of land use by 5 households who had made investments in the land, or paid annual land use taxes.	5
Secondary Structures	8 structures belong to 3 affected households	3
Productive trees / fruit Trees	80 fruit tree saplings belonging to 1 affected household.	1
Economic Displacement	34 waste pickers belonging to 16 HHs	16

III. PLANNED MITIGATION MEASURES

A. WASTE PICKERS

10. To avoid economic displacement of 34 waste pickers (16 AHs) due to the project a series of management measures were agreed in the Resettlement Plan (see Appendix A of this report) for the both the construction phase and the operation phase of the subproject to ii) ensure no interruption to waste pickers' livelihoods, ii) improve working conditions and occupational health and safety, and iii) offer formal employment opportunities at the new facility.

B. VULNERABLE HOUSEHOLDS

11. Fourteen vulnerable households (all waste pickers) were entitled to an allowance of LAK 240,000 per month per person in the household for 6 months to contribute to a better standard of living and income post-project. The total cost of the allowance was LAK 102,240,000 (or 11,272 USD).

C. LAND USERS

12. Due diligence confirmed that the 10 land claims within the 35ha project site were illegal cases of encroachment onto government land that was designated for development of solid waste management facilities. Despite these land claims being illegitimate, the affected households were offered compensation for investments they had made – this is in accordance with entitlements defined in the Resettlement Plan and in line with ADB safeguards policy statement. Five out of 10 households were able to show evidence of having made land investments (boundary fencing, fruit trees, animal pens) or land tax payments and were eligible to receive compensation totaling LAK 66,926,657 as shown in Table 4 below.

Table 4 – Planned compensation for land users encroaching on the 35ha project site

HH ID		Compensation entitlements			
		Structures	Trees	Land tax	Total Due
THK_021		1,500,000	9,200,000	563,881	11,263,881
THK_022				698,240	698,240
THK_024		3,600,000		350,000	3,950,000
THK_027		50,156,000		508,536	50,664,536
THK_028				350,000	350,000
Total		55,256,000	9,200,000	2,470,657	66,926,657

IV. IMPLEMENTATION REPORT

A. WASTE PICKERS

13. To date, waste pickers have continued to have unimpeded access to the existing land fill facility in order to continue to earn a livelihood. The management measures agreed in the Resettlement Plan to maintain and enhance working conditions during construction and during operation will be begin to be implemented alongside construction, with progress documented in routine Semi-Annual Monitoring reports.

B. VULNERABLE HOUSEHOLDS

14. Fourteen vulnerable waste picker households received the agreed allowance on 25 May 2011. The project assisted each household to open a bank account and formally handed over bank books on 10 June 2021 at the Thakhek UDAA meeting room. Details of payments received by waste picker is shown in Table 5 and receipts shown in Appendix B.

Table 5 – Allowances paid to Vulnerable AHs

HH-ID	Allowance payable (LAK)	Money transferred date	Bank account handing over date
THK-003	5,760,000	25 May 2021	10 June 2021
THK-004	11,520,000	25 May 2021	10 June 2021
THK-005	7,200,000	25 May 2021	10 June 2021
THK-006	7,200,000	25 May 2021	10 June 2021
THK-008	5,760,000	25 May 2021	10 June 2021
THK-009	5,760,000	25 May 2021	10 June 2021
THK-010	11,520,000	25 May 2021	10 June 2021
THK-011	5,760,000	25 May 2021	10 June 2021
THK-012	10,080,000	25 May 2021	10 June 2021
THK-015	5,760,000	25 May 2021	10 June 2021
THK-016	5,760,000	25 May 2021	10 June 2021
THK-017	2,880,000	25 May 2021	10 June 2021
THK-018	7,200,000	25 May 2021	10 June 2021
THK-019	10,080,000	25 May 2021	10 June 2021
Total	102,240,000		

C. LAND USERS

15. Of the five households eligible to receive compensation for land improvements, agreements were signed on 2 July 2021 with three households (THK_021, THK_022, THK_024) in October 2021 and payments were made on 13 October 2021 – see Annex C. Agreement with one more household (THK 028) was signed in December 2021. The final household (THK 027) continues to dispute the compensation offer and, after no resolution could be reached through the Grievance Redress Mechanism, this case has been lodged with the Provincial Court for adjudication. See chapter VII Grievances for further details.

Table 6 – Compensation paid to land users

HH_ID	Name of Household Head	Entitlement (LAK)	Amount paid (LAK)	Variation (LAK)
THK_021	██████████	11,263,881	11,263,881	0
THK_022	██████████	698,240	698,240	0
THK_024	██████████████████	3,950,000	3,950,000	0
THK_027	██████████	50,665,136	0	50,665,136
THK_028	██████████████████	350,000	0	350,000
		66,927,257	15,912,121	51,015,136

V. SUMMARY OF PLANNED AND ACTUAL COMPENSATION

16. Compensation totaling LAK 118,152,121 has been paid from the total budget of LAK 169,166,657 (See Table 1Table 7). The difference relates two households who have so far refused to accept the compensation offered by the Project. The remaining funds will be deposited to an escrow account while efforts continue to reach agreement and a judicial review is completed.

Table 7 - Compensation Summary (LAK)

Entitlements	Plan (LAK)	Actual (LAK)	Variation (LAK)
I. Compensation for Land Users			
Structures	55,256,600	5,100,000	(50,156,000)
Trees	9,200,000	9,200,000	-
Reimbursement of tax fee	2,470,657	1,612,121	(858,536)
<i>Subtotal</i>	<i>66,927,257</i>	<i>15,912,121</i>	<i>(51,014,536)</i>
II. Allowances			
Vulnerable households	102,240,000	102,240,000	0
<i>Subtotal</i>	<i>102,240,000</i>	<i>102,240,000</i>	<i>0</i>
III. Grand Total	169,166,657	118,152,121	(51,014,536)

VI. INFORMATION DISCLOSURE, CONSULTATION AND PARTICIPATION

17. Disclosure, consultation and participation has been ongoing since the early stages of project preparation. The aim has been to provide timely disclosure of relevant information in a format understandable to affected persons, and to enable the opinions of affected communities and other stakeholders to be incorporated into the design of the subproject and mitigation measures.

18. Following approval of the Resettlement Plan, household level consultations were carried out in January 2021 led by PRC and PIU. Individual meetings with affected households were held to review compensation entitlements and explain the procedure for paying compensation through bank transfer. Copies of the project information booklet (PIB) were distributed with information on the project scope, schedule, compensation policy and grievance redress mechanism. After confirming each household's entitlements, compensation agreement forms were presented for concurrence and signature by each AH (see Appendix D for a sample).

19. In December 2020, a consultation meeting was held with 14 vulnerable households (waste pickers) to confirm their entitlements and to open individual bank accounts.

20. In conjunction with payments of compensation to land users in October 2021, PRC and PIU visited each affected household to notify them about the remittance of funds to their bank accounts. Affected households were also reminded about the schedule for clearing the corridor of impact and start of civil works.

Table 8 – Consultations and Meetings

Date	Venue	Description	Participants
18 Nov 2020	PIU office	Meeting with provincial authority to discuss steps required to process payment of allowances to vulnerable households (waste pickers) and land users, in accordance with the resettlement plan.	21 participants
3 Dec 2020	UDAA meeting room, Thakhek town	Consultation with vulnerable households, signing individual compensation agreements and filling out forms for opening bank accounts.	14 waste pickers households
19 Jan 2021	UDAA meeting room, Thakhek town	Meeting with land users to confirm their entitlement for compensation in accordance with the approved Resettlement Plan.	21 participants including 8 land users.
25 Mar 2021	PWT meeting room, Thakhek town	Meeting of PIU and technical discussion on progress and challenges regarding compensation and allowances.	19 participants
25 Mar 2021	UDAA meeting room, Thakhek town	Meeting of Grievance Committee to review progress and challenges in payment of compensation and allowances. Agreed to establish a special taskforce under the provincial resettlement committee to expedite payment.	13 participants
7 Jun 2021	UDAA meeting room, Thakhek town	Handover of bank account books to vulnerable households with allowances already deposited.	14 households of waste pickers
1-2 Jul 2021	Nadoen village, Thakhek town	Consultation meetings with land users to follow-up on compensation payments and sign individual compensation agreements. Agreements reached with 3 out of 5 households with land users inside the 35ha project site.	16 participants
12 Aug 2021	Nadoen village, Thakhek town	Consultation meeting with 2 outstanding land compensation households. No agreement reached.	5 participants

VII. GRIEVANCES

21. The project GRM has three successive levels of escalation, with the lowest level being the Grievance Committee at the village level and the highest level being the Court of Law.

22. Affected households were informed about accessing the GRM during project preparation and during implementation of the Resettlement Plan, including when signing individual household compensation agreements and taking receipt of compensation payments.

23. Grievances were lodged by 5 households who claimed land within the 35ha subproject site. These grievances were addressed through the grievance redress mechanism, with outcomes summarized as follows :-

- On 2 July 2021, three out of five affected households acknowledged the site was government land and accepted compensation for land improvements and taxes. The remaining two households, who remained dissatisfied with the compensation offered, continued to appeal through the project grievance redress mechanism.
- On 21 December 2021, after several further rounds of consultation, one household (THK_028) accepted the land is state land and withdrew their claim (but indicated they did not want the compensation offered).
- Agreement could not be reached by the Grievance Committee with one household (THK_027) and on 16 February 2022 the claimant lodged an appeal with the Provincial Court (Annex F). The Thakhek Project Implementing Unit has submitted a report on the case to the Project Coordination Unit (MLSW) outlining efforts to seek a resolution over the past few years and confirming the Project will abide by the court decision in due course (see Annex G). In the meantime, the unclaimed compensation due to THK 028 and THK 027 will be deposited in an escrow account for future payment.

VIII. APPENDICES:

Provided as a separate volume due to the confidential nature of financial and other documentation pertaining to affected households

APPENDIX A. MEASURES TO IMPROVE WASTE PICKER WORKING CONDITIONS

APPENDIX B. PAYMENT OF ALLOWANCES TO VULNERABLE HOUSEHOLDS

APPENDIX C. COMPENSATION PAID TO LAND USERS

APPENDIX D. SAMPLE COMPENSATION AGREEMENT

APPENDIX E. AFFECTED HOUSEHOLDS SIGNING COMPENSATION AGREEMENTS

APPENDIX F. COURT REGISTRATION NOTICE THK 027

APPENDIX G. REPORT FROM GRIEVANCE COMMITTEE ON CASE THK 027