

# **SUMMARY SHORT RESETTLEMENT PLAN**

**An Appendix to the  
Report and Recommendation of the President  
to the Board of Directors**

**on the**

**NORTHERN AREA RURAL POWER DISTRIBUTION**

**in**

**THE LAO PEOPLE'S DEMOCRATIC REPUBLIC**

**August 2003**

## SUMMARY SHORT RESETTLEMENT PLAN

### A. Scope of the Resettlement Plan

1. A social analysis carried out in the project area concluded that the Project would require minimal land acquisition and resettlement. A short resettlement plan has been prepared for the Project in compliance with the Asian Development Bank (ADB) policy on involuntary resettlement and the *Handbook on Resettlement: A Guide to Good Practice*. The only project sites that can be identified are for the substations. Transmission and distribution line alignments cannot be identified until after detailed design. However, as alignments will be selected to avoid all but two possible houses, and most, if not all, residential and agricultural land, land acquisition impact will be insignificant. The resettlement plan will be updated following detailed design and submitted to ADB for approval before implementation.

### B. Scope of Land Acquisition and Resettlement

2. The 115-kilovolt (kV) transmission line alignments will be sited to avoid, wherever possible, crossing villages and other settlement areas as well as agricultural land and trees. Only restricted land use for agriculture will be permitted below the 115 kV lines. Transmission line towers will also be situated to avoid agricultural land. The number and location of towers will be determined during detailed design. Each landowner will lose only a small area for a tower and will be able to cultivate under the transmission lines and towers. The Project will not have a permanent adverse effect on livelihood or income. Farmers will be able to continue growing their crops under the transmission lines and towers. Approximately 5 hectares (ha) of land will be required for permanent acquisition for three substations on scrubland belonging to the local government or Electricité du Laos (EdL), and private scrubland (0.25 ha) will be acquired for one "T" tap junction.<sup>1</sup> Only two houses on 0.25 ha of land in the proposed alignment of the Nam Ngum to Thalat 115 kV transmission line may be affected. If they are, they will be able to move within 500 meters (m). Land may also be required temporarily for access tracks. The construction of distribution systems to provide electricity to villages will not require any land acquisition or displacement of households, although trees and structures will be restricted to 3 m. Electric poles and lines will be located adjacent to existing roads between villages, and in villages, along roads and pathways. Living close to 22.0 kV and 34.5 kV power lines does not pose a health hazard. Land acquisition requirements for each project component are identified in the resettlement plan.

### C. Policy Framework

3. The policy framework and entitlements have built principally on the Constitution and Land Law, national policy on resettlement and compensation, decree on resettlement and compensation, and implementation regulations for project-related resettlement and compensation.<sup>2</sup> The Ministry of Industry and Handicrafts (MIH) has decided to follow these implementation regulations, ADB's policy on involuntary resettlement, and government-approved resettlement plans for other ADB and World Bank projects.

### D. Resettlement Principles and Objectives

4. The following are the key principles and objectives adopted for electricity projects and will be applied to this Project:

---

<sup>1</sup> A "T"-shaped junction where a new transmission line is connected to an existing line to tap power supply.

<sup>2</sup> The draft policy, decree, and implementation regulations have all been prepared under ADB Loan 1867: Environment and Social Program, for \$30 million, approved 6 December 2001 and TA 3746. The final documents was approved by the Government in May 2003.

- (i) Involuntary displacement will be avoided or minimized wherever possible by exploring all viable alternative project designs and locations.
- (ii) Land acquisition and resettlement will be planned and implemented to cause the least possible social, cultural, and economic disruption.
- (iii) Affected people will be
  - (a) compensated as per the compensation principles below;
  - (b) helped to move, if required, during the transition period to the relocation site; and
  - (c) helped to improve their living standards there.
- (iv) Livelihoods will be restored without detriment to the environment.
- (v) Cultural and religious practices will be respected and, as much as possible, preserved.
- (vi) Special measures will protect socially and economically vulnerable groups such as ethnic minorities, woman-headed families, children and the aged without support structures, and extremely poor people.
- (vii) All people residing, cultivating, or making a living within the project areas before a formally recognized cut-off date will be considered as affected people and entitled to resettlement and rehabilitation assistance to help them improve or at least maintain their pre-project living standards, income-earning capacity, and production levels. Lack of legal titles to the land a person is cultivating or to the place of residence will not be a bar to resettlement entitlements.
- (viii) Replacement residential and agricultural land will be as close as possible to the land that was lost, and acceptable to the affected persons.
- (ix) Temporarily affected land and communal infrastructure will be restored to pre-project condition.
- (x) The compensation and resettlement activities will be satisfactorily completed and rehabilitation measures in place for a contract. The contract area will be free of encumbrances before ADB approves the award of the contract for civil works.
- (xi) The previous level of community services and resources will be improved after resettlement.
- (xii) A project-affected person will not be dispossessed of his or her property nor displaced from his or her place of residence or employment without payment of full compensation and/or without making arrangements for relocation and rehabilitation.
- (xiii) EdL will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation, and implementation of the short resettlement plan.
- (xiv) The entire cost of the resettlement program will be considered as an integral part of the project cost and budgeted in annual and overall project implementation plans.
- (xv) The resettlement programs will be planned and implemented with the consent and agreement of the affected people and host population and will encourage their active participation. A full participatory public involvement process will be implemented.
- (xvi) After detailed project design and identification of affected persons, details of the updated resettlement plan will be disclosed to them in a form and manner that they can understand.
- (xvii) The district authorities will establish a grievance committee to include representatives of MIH and EdL, a representative of the Ministry of Agriculture and Forestry at the provincial level, district and village representatives such as the headman and chief elders, representatives of local organizations such as the

Lao Women's Union, and representatives of affected households other than the village heads. The committee will not be dominated by organizations that have a direct interest in project implementation (such as MIH and EdL). Each committee member will receive an honorarium per case reviewed.

## E. Entitlement Matrix

5. The summary entitlement matrix (Table A14) summarizes the main types of losses and support for each type. The provinces will prepare compensation unit rates for all categories of loss at full replacement cost.

**Table A14: Entitlement Matrix**

Type of Loss	Entitled Persons	Compensation Entitlement	Implementation issues
Dwellings (possibly only two affected)	Registered taxpayer or occupant identified during survey	Full replacement cost with no deduction for depreciation or salvageable materials	Stakeholder consensus on replacement value assessment
Residential land (0.25 ha possibly affected)	Registered taxpayer or occupant identified during survey	Compensation with replacement land and helped to develop the new site	Stakeholder consensus on suitability of new land
Expenses of residential relocation	Registered taxpayer or occupant identified during survey	Lump-sum payment of actual relocation cost	Stakeholder consensus on definitions and amounts
Rice storage bins (none affected)	Owner identified during survey	Lump-sum payment for actual relocation cost	Assessment of suitability of relocation sites
Small retail shops (none affected)	Owner identified during survey	Lump-sum payment for actual relocation	Review of shop recorded during survey
Agricultural land	Owner or person with usage rights identified during survey	Replacement land of comparable yield as a priority, or cash at current market value	Detailed survey of final impact area and identification of beneficiaries
Crops and trees	Owner or person with customary usage rights	1 year's advance notice to harvest crops, otherwise anticipated harvest to be fully compensated at market value	Consensus among stakeholders on valuation assessment
Temporary impact during construction	Owner or person with usage rights identified during survey	Extreme care by contractors to avoid damaging property, and immediate payment by contractor where damage does occur to affected families, groups, communities, or government agencies	Damaged property restored immediately to its former condition
Transport allowance	Relocating household	Lump-sum payment for actual cost of transporting household effects and old and new building materials to the new site	Stakeholder consensus on amounts
Transition allowance	All persons displaced and severely affected due to the loss of income and means of livelihood	Lump-sum payment to cover a food allowance and suitable development assistance	Stakeholder consensus on amounts

## F. Institutional Framework

6. EdL established the Environmental and Social Management Office to monitor resettlement plan implementation. The office is staffed by an experienced environmental specialist manager, and three other environmental specialists and one social specialist, but needs more qualified social and environmental expertise. The Project will help EdL recruit and train one more social development and one rural development specialist.

**G. Preliminary Compensation Budget**

7. An amount of \$250,000 has been estimated for compensation and resettlement activities. The Government will ensure that it meets any budget shortfall needed to meet the resettlement plan objectives, once the resettlement plan is updated.

**H. Monitoring and Evaluation**

8. The preparation and implementation of the updated resettlement plan will be monitored by the Environmental and Social Management Office with help from the consultants. They will maintain a database of resettlement monitoring information.