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Myanmar: Enhancing Rural Livelihoods and Incomes

Prepared by Ministry of Livestock, Fisheries and Rural Development (MLFRD) for the Asian Development Bank.

CURRENCY EQUIVALENTS

| (as o | f 3 Sept | tember 2013) |
|---------------|----------|--------------|
| Currency unit | _ | kyat(MK) |
| MK1.00 | = | \$0.001 |
| \$1.00 | = | MK969.60 |

ABBREVIATIONS

| ADB | _ | Asian Development Bank |
|-------|---|--|
| AP | _ | affected persons |
| CDD | _ | community driven development |
| CSO | _ | civil society organization |
| DRD | _ | Department of Rural Development |
| EG | _ | ethnic group |
| EGP | _ | Ethnic Groups Plan |
| IP | _ | indigenous peoples |
| IPP | _ | Indigenous Peoples Plan |
| JFPR | _ | Japan Fund for Poverty Reduction |
| MLFRD | _ | Ministry of Livestock, Fisheries and Rural Development |
| NGO | _ | nongovernment organization |
| REGF | _ | Resettlement and Ethnic Groups Framework |
| RF | _ | resettlement framework |
| SPS | _ | Safeguards Policy Statement |
| TDC | _ | township development committee |
| VDP | - | village development plan |
| VT | - | village tract |

NOTE

In this report, "\$" refers to US dollars.

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I. PROJECT DESCRIPTION

A. Background

1. The Project will provide block grants with appropriate safeguards to village tracts (VTs)¹ to undertake priority small scale rural infrastructure and livelihood subprojects based on village development plans (VDPs) prepared on a participatory basis and consistent with township development plans.² The block grants will support an "open menu" (subject to a negative list) of activities based on community-identified development priorities. Labor for these interventions will be recruited from among village residents with a primary focus on generating employment for the poorer and more vulnerable households through cash for work initiatives with some proportion in-kind. The focus will be on supporting local development and service delivery needs identified by communities themselves. Technical supervision will ensure that basic technical standards are met during construction. Requirements for approval of the proposed activities within the VDPs as part of block grant agreements with village tract development support committees will include commitment by potential beneficiaries to undertake operation and maintenance in their village development plans and subprojects. Civil society organizations (CSOs) will be recruited to facilitate community interactions, assist local authorities and communities in the preparation of VDPs, and in the design and supervision of these civil works in collaboration with relevant engineers in township development committees (TDCs).³ Capacity for participatory planning, budgeting, and implementation of subprojects⁴ will be developed at the VT level. The project will not cover areas with security/conflict issues and cat A for involuntary resettlement. The estimated number of target beneficiaries is around 600,000 covering 96 VTs across all 4 regions/states.

2. The Project area is identified through extensive consultations with potential beneficiary communities and the local authorities with a focus on prioritizing activities based on their potential for (i) poverty reduction; and (ii) livelihood improvement and/or income generation. CSOs will be recruited to mobilize communities, facilitate community interactions, and assist local authorities and community leaders in the preparation of VDPs, and in the design and supervision of these civil works in collaboration with relevant engineers in TDCs. The financing modality will be the provision of similar value block grants that will be made available to the screened and selected communities (within VTs). The basis for screening and selection of communities will include their poverty profile, with the worst-off communities receiving priority under the Project, livelihood potential, and existing capacity of village tracts (previous project experience and/or existing village development impacts) to maximize benefits through the Project. The screening will be done by the village tract development support committee (mentioned above) based on engagement and consultations with village tracts within the participating township(s).⁵ During the initial period (6 months a broad positive list of eligible subprojects will be drawn up in consultation with local communities and authorities to cover

¹ VTs constitute the lowest administrative level of Government. A typical VT is organized under a township, comprises 4–5 villages, with administrators elected by heads of households. VTs with prior project implementation experience will be prioritized under the JFPR Grant.

² Successful experiences and lessons learned in the Dry Zone regarding the village development committee model under LIFT and other UN Programs, with livelihood subgroups to assist beneficiaries in larger communities, will be examined for potential transferability and/or adaptation to the other project regions as well.

³ The Mission also undertook its own internal review and due diligence regarding the technical and organizational capacities of existing local CSOs and INGOs as well as TDCs and also examined their experience in implementing community driven development projects.

⁴ Including thorough capacity development on financial management, procurement, and safeguard systems.

⁵ The detailed selection criteria shall be determined at fact-finding in consultation with the Government, development partners, and the CSOs.

social and productive infrastructure interventions, from which each of the participating communities will select their respective priority activities as part of their block grant allocation.

3. Activities will be initiated in the Ayeyawady Delta Region, followed by the Dry Zone, and then followed by activities in Taninthayi Region and Shan State Plateau to be implemented simultaneously. The block grant modality will ensure community participation during planning, design and implementation, as each community will decide which of their priorities will be accommodated within the block grant. It is also envisaged that the Ayeyawady Delta, where Project activities will be initiated, will provide important lessons in the first few months for application in the Dry Zone and subsequently in Taninthayi Region and Shan State Plateau. Previous community driven development (CDD) experiences reflect that there is greater likelihood of sustainability and poverty impact with more cycles. This Project proposes to have \$27,000 per VT repeated in a total of three cycles for the project duration.

B. Impact and Outcome

4. The Project impact will be improved agricultural productivity and enhanced livelihoods contributing to reduced rural poverty in Ayeyawady Delta region, the Central Dry Zone, Taninthayi Region, and the Shan State Plateau. The Project outcome will be improved essential productive rural and social infrastructure in the project-assisted villages.

C. Outputs

5. The Project has 3 expected outputs as follows:

- (i) Output 1: Communities mobilized and organized for identifying priority needs. The Project will work with traditional leaders and/or local agents of change, to strengthen and build the capacity of village development committees. Key activities with participation of poor households will include: (i) assessment, planning and decision-making/identifying of priority needs and development of communities in selected VTs, (ii) selection of appropriate interventions for their priority infrastructure needs, (iii) conduct of gender and cultural sensitive briefings/orientations during community mobilization, and (iv) development of VDPs by the communities.
- (ii) **Output 2: Village/village tract level infrastructure constructed/improved.** This output will include improvement of priority infrastructure as communicated by each community through appropriate VDPs. This will not be a prescriptive approach, but will be inclusive and responsive to the needs of each of the participating community villagers to have enhanced access and use of basic social services. A total of 96 VTs in 6 townships (16 VTs per township) are targeted across each of the regions/states (Ayeyawady Region, the Central Dry Zone, Taninthayi Region, and the Shan State Plateau). These may include: (a) construction/rehabilitation of rural access roads and jetties, (b) upgrading and installation of community irrigation systems and potable water schemes, and (c) construction/ rehabilitation of social infrastructure. Advocacy measures will be undertaken to ensure a certain percentage of women's participation in the civil works interventions.⁶

⁶ Definite target will be determined at fact finding.

(iii) **Output 3: Project management services institutionalized.** This output will comprise: (a) development and production of standard methods for planning and management of projects at regional and local levels, (b) training of appropriate infrastructure staff (engineers/technicians) in the use of planning and management methods for project implementation, (c) civil works quality control, and monitoring and evaluation, (d) training for financial management and procurement at regional and local levels, (e) facilitating venues for women's entry into the different skills, and (f) distilling and disseminating best practices, lessons from within project VTs, and to other townships and VTs in the country. Knowledge management activities will also include at least two study visits to projects in the Philippines and Indonesia to learn about CDD models, share best practices, and implementation experiences.

D. Objectives and Principles of Ethnic Group

6. The term Indigenous People (IP) *or Indigenous group* in ADB's Safeguards Policy Statement (SPS) 2009 context is used in a generic sense to refer to a distinct, vulnerable, social and cultural group possessing the following 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. These definitions apply directly to some of the populations classified in Myanmar as ethnic minorities.

7. Many DMCs including Myanmar does not have any specific regulations to guide the planning and delivery of projects which impact on Indigenous People which often referred and preferred to be called as ethnic groups (EGs) or ethnic peoples. Without clear regulations/laws, this has resulted in some projects delivered without necessarily being consistent with the views, wishes and interests of the ethnic peoples affected by them. Yet ethnic peoples (both women and men) want to have a voice in planning and decisions that have an impact on their communities and rights. Recognition of, and respect for, land and natural resources are fundamental to many ethnic belief systems.

8. As this grant is the first grant for Myanmar which involved potential land acquisition and affected the EGs (most likely positively) and as Myanmar has not country system safeguards (for social safeguards) as yet, it is suggested to combine the framework for EGs and involuntary resettlement, The objectives of the Resettlement and Ethnic Groups Framework (REGF) are to (i) provide guidance for sub-projects selection, screening and assessment of social impact;(ii) provide guidance in the preparation and implementation of ethnic groups plan (EGP) for subprojects;⁷ and (iii) facilitate compliance with the requirements specified in the SPS Safeguards Requirement 3. The REGF will guide project implementers in ensuring that IPs or EGs are informed, consulted and mobilized during the subproject identification, prioritization, and implementation in accordance with the ADB Safeguard Policy Statement 2009.

9. The Project will ensure (i) informed participation of EGs in the sub-projects so that they will be in a position to receive culturally compatible social and economic benefits, and (ii) that EGs will not be adversely affected by subproject implementation. It will (i) ensure that EGs in

⁷ The outline of the ethnic groups plan is in Appendix 1.

target municipalities will be able to provide input to local planning activities; (ii) facilitate the participation of EGs the choice of community projects through informed decision-making;(iii) ensure that EGs actively participate and lead in the design, development, and implementation of community projects; and (iv) provide feedback on project implementation, benefits and risks to EG groups.

10. The IP safeguards are triggered if a project directly or indirectly affects the dignity, human rights, livelihood systems, and culture of IP/EG or affects the territories for natural or cultural resources that IP/EG own, use, occupy, or claim as an ancestral domain or asset. This project and its subprojects potentially will direct or indirectly affect positively the livelihoods of the EGs in some project areas. The IP Plan (or in this case the EGP) will be prepared as necessary following REGF guidance.

E. Objectives and Principles of Involuntary Resettlement

11. The principal objective of involuntary resettlement is to ensure that during the subproject concept development, all potential affected persons (AP) are consulted, informed of the decisions regarding the proposed subprojects and their entitlements, and when necessary, compensated for their losses and provided with assistance to improve, or at least maintain, their pre-project living standards and income earning capacity.

12. The magnitude of adverse project impacts is expected to be minimal and will only be known once the specific subprojects are selected and designed as the sub-projects are being prepared through community participation and demand driven approach. By its nature, a CDD project cannot pre-determine the types of subprojects, until communities select them. Subprojects will only be known during project implementation. Therefore, Indigenous Peoples Plans (IPP) and Resettlement Framework (RF) cannot be prepared before fact finding mission and management/staff review meeting. As Myanmar has no sufficient laws/regulation and country system safeguards yet, it is recommended by government to combine the frameworks to make it easier for the implementing agencies to address the potential issues of land acquisition and support the EGs development activities.

13. The framework related to involuntary resettlement adopts the principles of ADB's SPS 2009. The following principles will govern the Project implementation:

- (i) Involuntary resettlement should be avoided where feasible;
- (ii) Where population displacement is unavoidable, it should be minimized by exploring all viable project options as agreed upon during community meetings and village development committee discussion;
- (iii) People unavoidably displaced should be compensated and assisted so that their economic and social future would be as favorable as it would have been in the absence of the project;
- (iv) People affected should be fully informed and consulted and have agreed on resettlement and compensation options;
- (v) Existing social and cultural institutions of APs and their hosts should be supported and used to the greatest extent possible, and APs should be integrated economically and socially into host communities; and
- (vi) Lack of legal rights to the assets lost will not hinder APs from entitlement to such compensation or rehabilitation measures; particular attention should be paid to households headed by women and other vulnerable groups, such as indigenous peoples and appropriate assistance should be provided to help them get the rehabilitation or compensation package as agreed upon by the majority.

14. The Project's major activities under Output 1 and Output 2 will be providing for basic social services infrastructures (upgrading small irrigation canal, building small community center, building small processing facilities, upgrading farm to market road, etc.) depending on the potential and priorities selected by communities. Although resettlement issues are not foreseen to be significant by the nature and size of the sub projects, minor land acquisition or loss of assets cannot be fully ruled out since sub-projects are developed on a demand-driven basis. Hence, this framework is being prepared to ensure communities will be compensated accordingly or alternative land donations are also being recognized.

15. The magnitude of adverse impact, i.e. number of APs, cannot be ascertained during project preparation, although the project team foresees this to be minimal. If land acquisition and involuntary resettlement are warranted, the Project will ensure, through this Framework (REGF) that any negative impacts are avoided, properly managed and minimized. Resettlement Plan will be prepared accordingly when needed.

16. The social infrastructure projects will be selected based on the avoidance of negative social and environmental impacts to communities, including physical and economical displacement,.

17. Involuntary resettlement safeguards are triggered if the project resulting in physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of(i) involuntary acquisition of land or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. They are covered whether such losses and involuntary restrictions are full or partial, permanent or temporary. A resettlement plan using the guidance of REGF will be prepared if there is physical or economic displacement of people in the sub-project areas whether they are more or less than 200 people.

18. The table below describes the type of project is being proposed through VDP.

| A. Rural Social Infrastructure("Hard Sectors") - Accounts for 65 % of the Project funds | | | | |
|---|---|--|--|--|
| Sector | Type of Infrastructure | Types of Eligible sub-Project intervention | | |
| 1) Health | a) Village Health Clinic b) Village Tract Health Centre | a) Build new clinic/ Rehabilitate existing one b) If rehabilitating an existing one, the Project provides funding for at least one qualified nurse to be stationed there for 1 year; or if Project builds a new one, the Ministry of Health has to provide assured funding for one qualified nurse for 1 year | | |
| 2) Education | a)Primary Schools (Year 1-6) | a1) largely rehabilitation but new buildings in exceptional cases; a2) in the Delta with flood prone areas, extension of buildings to add one floor upstairs; ⁸ Solar power, ⁹ and few basic Indian Made \$100 Computers ¹⁰ | | |

Table 1: Positive List for the first year of Implementation

⁸ In flood prone areas and for schools with only ground floor buildings, extension of the building by adding one floor upstairs so the children can study.

⁹ Four or five solar panels with storage batteries and inverters to provide fluorescent tube light and enough power to run 4 to 6 simple computers.

| | b) Middle Schools (Year 7-9) | b)Rehabilitation only of Middle schools only a few will be done; Provide Internet access to primary and middle schools |
|--|---|--|
| 3) Transportation | a) Minor Rural Roads ¹¹ Farm to Market Type b) Jetties ¹² and ramps in the Delta region | a) Minor roads to connect farm centers to main road or markets b) Jetties are primarily for the Delta Region to assist with boat access which is the main mode of transport anywhere away from the main road and also to some extent in other States |
| 4) Water supply and sanitation | a) Water Supply for schools and clinics and some households b) Sanitation in the form of water tight septic tanks for health clinics, schools community gathering places/centers | a) Boreholes drilled by simple cable tool and tripod method usually 2 inch diameter and usually down to 150 feet (around 30 m); complete¹³ with Myanmar Made hand pumps; and ground level cement concrete water tanks¹⁴ b) Properly made water tight septic tanks of 2 separate compartments and with removal of solids after 4 or 5 years from the first tank; with proper toilet house¹⁵ at ground level |
| 5) Electricity Supply | a)Stand Alone fixed roof top Solar Power for individual households b) Solar Powered portable Lanterns | a) Stand-alone solar power supply by a solar panel with storage batteries and inverter and at least 4 fluorescent tube lights on the basis of one system per selected household b) Solar powered large lantern which can be carried by hand; 3 per household, and 3 households can receive these lantern packages for the cost of one standalone household power supply |
| 6) Livestock and Fisheries | Small household level fish/ shrimp raising / crab fattening ponds, in all Project States except the Dry Zone | These are to support improvement in livelihoods and income generation as well as the increased intake of animal protein at household levels |
| 7) Rural Markets | Minor assistance with betterment of existing Markets | Can include the betterment of existing facilities to enable agricultural producers to collectively deal with Wholesale buyers to achieve better prices for their produce. This can involve minor Civil construction additions to existing markets |
| 8) Minor scale Irrigation and Drainage | Minor scale irrigation and drainage for community operated small schemes | Possibilities include small scale irrigation betterment, also conjunctive use of shallow ground water with surface water in the dry zone; Protection of small irrigated areas in the Delta which are prone to crop loss in times of floods |
| 9) Social Welfare and community | Construct Community Centers or Gathering | Construction of Community Centers which will also serve as gathering places for the community and |

¹⁰ These will be the simple computers produced for schools and costing only \$100/= or so each and which will be used as teaching/learning tools. It is estimated that 4 to 6 such computers will be adequate for any one school. ¹¹ These will only be the 3.3 meter wide (10 feet wide in the earlier years) and with rolled compacted sub base, base

and top course, all in earthworks without any asphalt, and maximum distance to be 2 miles (3.2 km) per instance. ¹² These will be made entirely of local sawn wood and Bamboo; 3.3 m wide, and about 13.2 m long on average and each can be

constructed in 2 weeks, and estimated to cost some Kyat 1.6 million each.

 ¹³ Estimates in eh Delta Region were about
 ¹⁴ Usual capacity of 1,600 Gallons for schools and costing around Kyat 1.8 million each and smaller Household ones costing some Kyat 0.8 million.

¹⁵Estimated cost for one toilet house and one two chambered septic tank, and other fittings are around Kyat 0.8 million

| empowerment and livelihood | Places, particularly in Old Bagan villages which | include sections which serve as facilities for exhibiting local handicrafts and produce, which will | | | |
|--------------------------------------|---|--|--|--|--|
| betterment | produce artisan made | attract tourists and visitors as buyers. These are to increase the income generated presently through | | | |
| | Lacquer ware and | | | | |
| | traditional hand woven | these activities. These can also serve as centers for | | | |
| | cloths | minding small children as crèches and nurseries. | | | |
| | | nancement and Diversification (Soft Sectors) | | | |
| Capacities to be bu | ilt up | Details of possible activities to assist organizations/citizens build up their capacity | | | |
| 1)Development pl | anning skills including | Reorganizing and strengthening training for Village | | | |
| Organizational, Fina | 5 5 | Tract Development Support Committee to include | | | |
| capacities at Village | | Book keeping and Financial Management in | | | |
| | | transparency and accountability, and participatory | | | |
| | | approaches | | | |
| 2) Provision of Fur courses to those | nctional English Language who want to take up | Tourism is expected to continue to expand exponentially in Myanmar, particularly in the Dry | | | |
| | rapidly increasing tourism | Zone (Mandalay and Bagan areas). There is a | | | |
| | in the Dry Zone and in | massive short supply of workers in this industry, | | | |
| Mandalay and Bagar | | particularly tourist guides and other tourism related | | | |
| | | workers with a functional command of English. This | | | |
| | | training will assist those aspiring to earn a living in | | | |
| | | this industry by providing functional and conversational English training and thereby increase | | | |
| | | their livelihood betterment potential | | | |
| C Specifics as requ | ested / Perceived already | and items which will be in the Broad Positive list, | | | |
| | roject may implement | | | | |
| 1) Training for t | petter English Language | 1) Building existing capacity of the DRD at Union | | | |
| Capabilities of the | | Level in the Planning and International Relations | | | |
| Development (DRD) | at Union Level | Division as well as in its Planning Bureau, for | | | |
| | | betterment of their effective communication skills | | | |
| | | with the increasing number of Agencies with which they will need to deal. | | | |
| 2) Training for cap | acity building of DRD at | 2) Assistance with The enhancement of existing | | | |
| Township Level | , , | capacities of the DRD Technical Staff at Township | | | |
| | | Level. The inputs from the Project to this will be | | | |
| | | minimal as the World Bank CDD Project is | | | |
| | | supporting this initiative substantially including in Procurement and Financial Management. However, | | | |
| | | this can include basic Project management and | | | |
| | | safeguards as required by ADB. | | | |
| 3) Provision of Desk | | 3) The MADB which is a part of the Ministry of | | | |
| Myanmar Agricultura | I Development Bank | Agriculture and Irrigation provides loans to farmers | | | |
| (MADB) | | for purchasing inputs every season. They do all transactions manually, causing serious delays in | | | |
| | | release of loans. This provision of desktop | | | |
| | | computers and required FIS and MIS, Financial and | | | |
| | | Banking software and Training in the use of these | | | |
| | | will greatly help in getting the loans to the farmers | | | |
| 1) Agriculture | | well on time4) Betterment of yields of a) Oil seed crops in the | | | |
| 4)Agriculture | | Dry Zone through facilitation of contacts with the Oil | | | |
| | | seeds Research Centre in Magway; b) Rice in the | | | |
| | | Delta Region and other states, through facilitation | | | |
| | | of contacts with the Yezin Agricultural University | | | |

| 5) Communications and Agricultural and Livestock Extension Services | 5) Establishing and running a "Farmers' Community Radio Program" over the Radio Station in each State capital, at least twice a week, to share knowledge and experience and news of pests, practices, market prices for both inputs as well as for Produce and experiences of successful farmers. This will supplement greatly the present situation whereby Agricultural and Livestock extension services are at best minimal. |
|---|---|
|---|---|

19. **Voluntary donation.** The project will allow community members who benefit from a sub-project to donate land and other private assets to the sub-project without compensation if they agree to do so, especially as the social infrastructure projects are proposed and designed by them. It is expected that most project impacts will be addressed through voluntary donation without any significant or long-term impact on livelihood. The following protocol will govern voluntary donation of private assets:

- Voluntary donation will be an act of informed consent and affected people will not be forced to donate land or other assets with coercion or under duress, or misled to believe that they are obliged to do so;
- (ii) Voluntary donation will be allowed only if a sub-project can technically be implemented in another location than where it is planned – if a sub-project is location-specific by nature, land acquisition associated with such a sub-project cannot be considered as voluntary; rather, it is an act of eminent domain. In such cases, an RP, as applicable, will be developed;¹⁶
- (iii) Voluntary donation will be allowed only for very minor impact that meets the following criteria: (a) The households contributing land or other assets are direct beneficiaries of the sub-project; (b) The total size of productive land owned by the affected household is more than 300 m²; (c) The impact is less than 5% of the total productive assets owned by said household; and (d) No one has to be physically relocated;
- (iv) The affected people will be fully informed that they have the right to refuse to donate land and instead receive compensation at replacement cost, and that a grievance redress mechanism is available to them through which they can express their unwillingness to donate. People will be encouraged to use the grievance redress mechanisms if they have questions or inquiries, either in writing or verbally. Adequate measures will be put in place to protect complainants;
- (v) The community facilitator, village representatives of village tract forums and the village implementation committee will confirm through a face-to-face meeting that the affected people are indeed aware that they are entitled for compensation and knowingly agree to donate land or other assets without compensation. The minutes of this meeting, which include confirmation that all conditions for voluntary donations are met, will be attached to the signed voluntary donation form;
- (vi) Once the informed consent of the affected people has been confirmed in writing, the village tract forum will develop a voluntary donation form. Both the husband and the wife of the affected household will sign the form in the presence of the community facilitator and the village implementation committee;

¹⁶ The outline of the resettlement plan is in Appendix 2.

- (vii) The village tract forum will review and approve the signed voluntary donation form, and keep one original, signed voluntary donation form for review by the Department of Rural Development (DRD) and the ADB. The affected household will keep another original, signed form; and
- (viii) Implementation of sub-projects involving voluntary donation will start only once the village tract forum has approved the signed voluntary donation forms.

20. Annual social audits will be carried out by the nongovernment organization (NGO) supporting the DRD township offices will verify the informed agreement of affected people. In the rural areas where donations of lands for community use are generally practiced, arrangements have to be made to ensure that (i) the donation is indeed voluntarily given, (ii) the donor is legitimate owner of such lands, and (iii) the donor is fully informed of the nature of the subproject and the implications of donating the property. Should the donor decide to donate the property on a conditional basis, the terms and conditions for the temporary use (usufruct rights) of the property must be clearly stated in the Conditional Deed of Donation document. A sample Deed of Donation is provided in Appendix 3.

- 21. The roles and responsibilities of the implementing agencies are:
 - develop procedures in a transparent, consistent, and equitable manner, if land acquisition is through negotiated settlement in order to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status;
 - (ii) prepare a RP elaborating on displaced persons' entitlements,¹⁷ the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule;
 - (iii) 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; and
 - (iv) 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; and disclose monitoring reports.

22. Other policies that apply in implementing this framework includes: (i) the ADB Policy on Gender and Development which adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring participation of women and that their needs are explicitly addressed in the decision-making process for development activities; (ii) the ADB Public Communications Policy which seeks to encourage the participation and understanding of people and other stakeholders affected by ADB-assisted activities. Information on ADB-funded projects should start early in the preparation phase and continue throughout all stages of project development, in order to facilitate dialogue with affected people and other stakeholders.

II. SOCIOECONOMIC CHARACTERISTIC OF THE PROJECT AREA

23. About 70% of Myanmar's population reside in rural areas and are dependent on agriculture for their livelihood. Moreover, about 36% of the rural populations, many of whom are

¹⁷ A sample entitlement matrix is in Appendix 4.

landless laborers, live below the poverty line. The Government recognized 135 distinct EGs that make up eight official 'major national ethnic races': Bamar, Shan, Mon, Kayin, Kayah, Chin, Kachin and Rakhine. Historically, Myanmar's diverse ethnic make-up has been delineated by its topography. At present, rural incomes are constrained by (i) high transaction costs for agricultural production and marketing (due largely to the poor condition of access roads, tracks, bridges, and boat landing sites as well as irrigation, drainage, and flood control structures), (ii) sparse opportunities for alternative employment and (iii) limited access to markets, social and technical services. Investments in improving rural infrastructure will reduce these constraints.

24. The biggest ethnic group in Myanmar after the Bamar is the Shan—most of whom are Buddhist. Many Shan groups have fought the Bamar for control of Myanmar, and a few groups continue a guerrilla-style conflict in the mountains near Thailand. The 1983 census records 69% of the population as Bamar, 8.5 % Shan, 6.2% Kayin, 4.5% Rakhaing, 2.4% Mon, 2.2% Chin, 1.4% Kachin, 1% Wa and 0.4% Kayah. Below is the table describing of important poverty indicators of communities in the four states.

| | Shan | Shan | | | | |
|-----------------------------------|---------|---------|--------|-----------|----------|------------|
| Indicator | (South) | (North) | Magway | Ayeyawady | Mandalay | Taninthayi |
| Population (million) | | | | | | |
| National Poverty incidence % | 25.2 | 37.4 | 27.0 | 32.2 | 26.6 | 32.6 |
| Food poverty incidence (%) | 8.2 | 9.9 | 3.6 | 6.1 | 5.3 | 9.6 |
| Average Land Area Owned by | 4.0 | 4.6 | 5.4 | 9.3 | 6.0 | 7.7 |
| Agriculture Household (Acre) | | | | | | |
| Net enrollment ratio in primary | 91.5 | 84.6 | 91.7 | 87.5 | 90.7 | 85.2 |
| education | | | | | | |
| Literacy rate of 15-24 years old, | 95.6 | 87.9 | 98.1 | 97.9 | 97.5 | 95.8 |
| Employment/population ratio (%) | 62.1 | 67.3 | 65.2 | 56.7 | 60.3 | 51.1 |
| Share of women in wage | 44.6 | 42.8 | 40.2 | 51.2 | 40.5 | 61.9 |
| employment in non-agriculture | | | | | | |
| sector, % | | | | | | |
| Proportion of population using an | 85.1 | 78.3 | 62.6 | 44.6 | 76.3 | 56.4 |
| improved drinking water source | | | | | | |
| Proportion of population using an | 84.6 | 76.2 | 76.6 | 82.4 | 80.9 | 71.3 |
| improved sanitation facility | | | | | | |

Table 2: Poverty Indicators, 2010

Source: IHLCA. 2011. MDGReport and Poverty Profile.

A. Description of Ethnic Groups (EGs) in the Project Areas

25. It is expected that EGs/ethnic minority communities are present in the Project areas. An estimated 10% of the all target VT to be covered by the project have at least 80% EG populations. EG communities are expected to benefit from the project.

26. Below is the description of EGs in the potential project areas. Please note that not all the areas will be selected as it depends on the agreed selection criteria.

1. Shan State

27. Shan state is divided into three sub-states: Shan South, Shan North and Shan East. There are 14 districts consisting of 55 townships. There are also 5 self-administered zones: (i)Wa self-administered division (Hopang, Mongmao, Panwai, Pangsang, Naphan and Metman townships), (ii) Pa Laung self-administered zone (Namshan and Manton townships), (iii) Pa-O self-administered zone (Hopong, Hshihseng and Pinlaung townships), (iv) Danu self-administered zone (Ywangan and Pindaya townships), and (v) Kokang self-administered zone (Konkyan and Laukkai townships). Shan state covers about 62,000 sq. miles (155,800 sq. km). There are diverse EGs such as Shan, Bamar, Wa, Kachin, Danu, Intha, Lahu, Ta'ang, Pa-O, Taungyo, Lishu, Kokhan. Livelihood in this region is mainly on agriculture and followed by livestock. Income per capita per year is about 600,000 kyat.

28. Activities are likely to focus in Shan South:(i) Ywangan township, where poverty incidence is 25.2; (ii) Tangyang and Man Ton where poverty incidences are higher; and(iii) near HoPong. Due to extremely high levels of poverty, the main focus in these areas is likely to be in reducing and eliminating the vulnerability of these communities to food insecurity. The detailed interventions that will achieve this objective will be scoped out based on consultations with the community groups and local authorities during the inception period of the Project.

a. Shan North (Lashio, Tanyang, Man Ton)

29. **Lashio.**Major ethnic are KoKan, Wa, Shan and minority are Bamar. The population is 123,126 (urban) and 155,936 (rural). The population density is 50-100 person/sqkm Mostly, their livelihood is trading; some are working with agriculture. They grow upland rice and maize. Maize area is over 1,000 acres.

30. In Namhkan Township near Lashio, ethnic group are Palaung, Shan, and Kachin. The population is 23,008 (urban) and 83,022 (rural). The population density is 50-100 person/sqkm Their livelihood relies on upland rice, maize and tea along the Shwe Li river and mountainous area; and exporting charcoal and lumber to China.

31. **Tangyan.** The population in Tanyang is 26,006 (urban) and 101,570 (rural). The population density is 20-50 person/sqkm. The ethnic group are Lisu (mostly Christian), Palaung, Shan and Wa. Some are growing maize.

32. **Manton.** The population is 8,691 (urban) and 34,051 (rural). The population density is less than 20 person/km². Currently, Tangyan and Manton are brown areas as there are fights occurring sometimes.

b. Southern Shan (Hopong)

33. Hopong Township is about 12 miles far from Taunggyi city, capital of Shan State. The population is 16,510 (urban) and 82,702 (rural). The population density is 20-50 person/sqkm. Major ethnic group is Pa-O, and minority group consists of Shan and Da Nu. Most rely on agriculture – growing upland rice, maize, pigeon pea, soy bean, cheroot leaves and vegetables. There is also a mining factory in the Hopong Township and some are working there. Some NGOs supporting them provides seeds, micro financing, and cow/buffalo bank. It is better to support agricultural system such as contour banding.

2. Ayeyawady Delta

34. The Project's focus in the Delta will be on two townships which consist of 30 VTs along the Yangon to Pathein Road as part of a 'rural ribbon development' approach. This area is the rice-bowl for Myanmar with significant poverty reduction potential and untapped linkages to local markets at the township and city levels, and also for regional export (largely through

linkages within the Greater Mekong Sub region East-West Economic Corridor). Although this main road provides connectivity, the corridor areas on either side of the road are severely hampered by lack of access (limited to small boats and canoes), and small-scale infrastructure deficits (community water supply and irrigation, flood protection systems, schools, basic health care clinics, household energy needs). Reducing high levels of post-harvest losses can be addressed through aggregation points and linkages to drying and processing centers. The focus of interventions will be on: (i) labor intensive infrastructure rehabilitation, development, and operation and maintenance, and (ii) community-based enterprise and informal sector promotion and vocational training for employment generation. Based on community demand, the Project will also consider providing computing hardware and software, and training facilities to the Myanmar Agriculture Development Bank to facilitate improved outreach of credit to eligible farmers with the positive multiplier effects on yields of rice and other field crops. The area covers about 13,566 square miles (35,140 sq. km). The population is about 7 million. The major EGs are Bamar, Kayin and Rakhine. There are 8 districts and 38 townships in total.

3. Central Dry Zone

35. Activities are envisaged in the Central Dry Zone of Myanmar will be centered around Bagan and in Mandalay and Magway. A primary focus for this area will be the enhancement of the availability and management of water resources for various purposes including irrigated agriculture. The growing of pulses, ground nuts, and sesame as well as cotton are popular agricultural activities in this Dry Zone. All other rural infrastructure activities, as appropriate, will also be examined for financing purposes. Additionally, measures to enhance value addition of agricultural produce, including marketable products such as peanut butter and sesame sweets and bars and oil, weaving cotton and small scale textiles, will also be examined. Preparatory work has already been carried out by a Japanese international nongovernment organization (INGO) for a Regional Community Development Project in the Bagan area of Myanmar. This preparatory work has looked at several possibilities for value-added activities and income generation, and parts of it may be considered for incorporation into the Project. The detailed preparation of activities in the Central Dry Zone will be carried out during the early stages of the implementation of the Project. Most of the central dry zone is populated by majority Bamar.

4. Taninthayi Region

36. Project activities envisaged in Taninthayi Region will include a selection as determined by the community, based on the common positive list and also activities that are likely to benefit and based on the expressed needs of the ethnic minorities. The area of the Region is 16,735 sq mi. Out of about 1,000 islands along Myanmar's coastline, over 800 are in Taninthayi coast. Mons, Salons, Myanmars, Karens, Paos, Tavoyans, and Pashus (Malaya) live in the 10 townships and 274 VTs of Taninthayi Region and the population is about 917,628. The main livelihoods of the region are agriculture and fishery. In agriculture, paddy is growing as food crop in this region; and long-term cash crops such as betel nut, coconut, rubber and nipper, tapioca, rambutan, durian and mangos teen are also grown on a large scale. Both marine and inland fishery is found in these regions, with fishery as the main livelihood for the coastal and riparian communities. However, inequality of wealth distribution is largely present in these regions and more than 70% of the households are poor and engaging in small scale livelihood of agriculture and fishery. Poor education and livelihood skill, inaccessibility to market and poor infrastructure make it difficult for poor households. Migration to Thailand is the only coping strategy in this region. Almost 70% of the youth are engaged in short term and long term migration. Decreasing workforceand health problems such as HIV outbreak are threatening the sustainable development of the region. Implementation of Project activities in Taninthayi will

start in the first 6 months of project implementation. The indicative cost for planned activities in Taninthayi Region is estimated at \$2.5 million.

37. ADB's SPS 2009 defines "indigenous peoples" as 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) distinct language, often different from the official language of the country or region. This may cover a group that has lost collective attachment to geographically distinct habitats or ancestral territories within a project area because of forced severance.

38. The objective of ADB's IP principles is to design and implement projects in a way that fosters full respect for EGs' (IP) identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by IPs themselves to protect them from the adverse impact of development; to ensure that they receive culturally appropriate social and economic benefits from development projects and programs; and that they can participate actively in projects that affect them. Every subproject will be screened to determine impacts. ADB's SPS requires the preparation of an EG Plan including assessment of social impacts¹⁸ with limited or significant impacts. The level of detail and comprehensiveness of the IPP will be commensurate with the degree of impacts. To determine if impacts are "significant", the following will be assessed:

- the magnitude of impact on ethnic minorities' customary rights of use and access to land & natural resources; socioeconomic status; cultural and communal integrity; health, education, livelihood and social security status; or indigenous knowledge; and
- (ii) the level of vulnerability of the affected ethnic minorities. Among others, the IPP will ensure that EGs adversely affected by sub projects are as well off with the project as without it. This plan will also aim to identify measures towards satisfying the needs and developmental aspirations of ethnic people.

39. ADB IP principles under the SPS underscore the following: (i) avoidance of adverse impacts of projects on environment and affected people, where possible, (ii) minimization, mitigation, and/or compensation for adverse impacts on environment and affected people, when avoidance is not possible, and (iii) assistance in strengthening country safeguard systems and development of capacity to manage environmental and social risks.

40. Should ADB projects affect EGs, a set of general policy requirements will be observed to maintain, sustain, and preserve the EGs' cultural identities, practices, and habitats (SPS 2009, SR-3), as follows:

- (i) **Consultation and Participation.** The borrower/client will undertake meaningful consultation with affected IPs to ensure their informed participation;
- (ii) **Social Impact Assessment.** When screening confirms likely impacts on EGs, the borrower/client will retain qualified and experienced experts to carry out social impact assessment (SIA);
- (iii) **Indigenous Peoples Planning.** If the screening and SIA indicate that the proposed project will have impacts, positive and/or negative, on EGs, the borrower/client will prepare an IPP (equal to EGP) in the context of the SIA and through meaningful consultation with the affected EG communities;

¹⁸The guide on how to do social impact assessments is in Appendix 5.

- (iv) Information Disclosure. The borrower/client will submit to ADB the following documents to disclose on ADB's website (a) a draft IPP and/or an REGF and EGP, endorsed by the borrower/client, before appraisal; (b) a final EGP upon completion; (c) a new or updated EGP and a corrective action plan prepared during implementation, if any; and (d) monitoring reports;
- (v) **Grievance Redress Mechanism.** The borrower/client will establish a mechanism to receive and facilitate resolution of the affected EG communities' concerns, complaints, and grievances;
- (vi) **Monitoring and Reporting.** The borrower/client will monitor and measure the progress of implementation of the EGP; and
- (vii) **Unanticipated Impacts.** If unanticipated impacts on EGs become apparent during project implementation, such as a change in the project's footprint, the borrower/client will carry out an SIA and update the EGP or formulate a new EGP covering all applicable requirements specified in this document.

41. The SPS 2009 provides a set of special requirements should a project (i) be within ancestral domains, lands and related natural resources, (ii) involve commercial development of cultural resources and knowledge of EGs, (iii) be one that causes physical displacement from traditional or customary lands, and (iv) involve commercial development of natural resources within customary lands, which would impact on livelihoods or cultural, ceremonial, or spiritual uses that define the identity and community of EGs.

III. LEGAL FRAMEWORKS

A. Applicable National Laws of Myanmar

42. The existing laws and regulations in force in Myanmar are considered insufficient to identify and mitigate the project's potential negative environmental and social impacts according to the ADB's SPS. An environmental law became effective in 2012 but regulations and standards have not yet been issued. There are also other laws with environmental policy implications such as the 1992 Forest Law and a number of international laws and conventions that Myanmar has ratified. Regarding social issues, the existing Land Acquisition Act (1894) is outdated and does not address many current problems around land acquisition. Moreover, its implementation is reportedly erratic.

43. The *Towns Act* is complemented by the *Village Act* (1908) which addresses many of the same governance concerns for villages. The Act provides for rules and procedures relating to the administrative structure of villages, including the duties and powers of village committees, village headmen, rural policemen, sub-divisional and township officers as well as the duties of villagers. The Village Act also contains an express obligation on villagers to announce the arrival and departure of non-residents, including a requirement to seek permission from the village committee for a non-resident to take up residence in a village, to construct a hut, house or enclosure. Permission is also required from the Deputy Commissioner prior to establishing a new village or group of houses. The Act provides an exception for cultivators or fishermen to construct dwellings where their vocation is carried out. The Act empowers the Deputy Commissioner to sell and remove property illegally on State land.

44. The *Protection of the Right of Cultivation Act* (1963), stated that the following were protected: (i) agricultural land, (ii) cattle and ploughing (iii) tractors and machinery, (iv) other implements whether animate or inanimate, (v) prohibition from confiscation for any reason of agricultural produce and arrest of cultivators. It was also stipulated that such protection would

not apply in the case of: (i) non-payment of dues owing to the state; (ii) disputes arising from inheritance cases or actions taken by the state for security reasons. The Act also empowered the state to confiscate land in lieu of debts, or if "state security" is threatened.

45. The *Tenancy Act (1963) and Tenancy (Amendment) Act* (1965) further took control of land from agriculturalists and placed it into the hands of the state. The *Tenancy Act* provided that the government may order any land to be leased to tenants, usurping the right of landowners to lease their land.

46. The subsequent *Tenancy (Amendment) Act* (1965) further strengthened the hold on land by the State and provided the Government with authority to issue regulations for tenants working on the lands leased from the State. The cultivators who, under the *Land Nationalisation Act*, possessed the right to own land now become lessees under the laws. Both the *Land Nationalisation Act* and the *Tenancy Act* empowered the state to determine which crops agriculturalists grow. Non-compliance with this and other conditions could result in confiscation of land, fines and imprisonment.

47. Changes in land laws were made in 1991 with the establishment of the *Central Committee for the Management of Cultivatable Land, Fallow Land and Waste Land.* The Committee is empowered to scrutinize and grant all applications for commercially using culturable land, fallow land and waste land for agriculture, livestock breeding, aquaculture enterprises or other economic development enterprises. It was also granted the power to allocate control over much larger holdings of land for the purpose of State owned enterprises. For perennial crops such as rubber, oil palm and coffee, the Committee could assign blocks of 5,000 acres. If the land was developed, more land could be granted up to a possible 50,000 acres. For orchard crops, smaller limits of 1,000 to 3,000 acres were established. Large landholdings for livestock and aquaculture operations were made possible. Non-citizens as approved by the Myanmar Investment Commission were able to apply for land allocations. By 2001 more than one million acres were allocated involving about 100 enterprises and associations.

48. The *Forest Law* (1992) implements the forestry and environmental conservation policy of the government and is ostensibly designed to ensure compliance with international agreements relating to forestry and conservation of environments as well as contribute to fuel requirements in Myanmar.

49. The *Development of Border Areas and National Races Law* (1993) aims to "develop economic, social works and road and communications of the national races at the border areas in accordance with the aims of non-disintegration of the Union". The Act creates a Central Committee for the Implementation of the Development of the Border Areas and National Races Law and provides for the relevant responsibilities of the Committee, including, providing guidance and policy for development and works in these areas.

50. In 1998, the State Peace and Development Council introduced the *Protection and Preservation of Cultural Heritage Regions Law* which enables the Ministry of Culture, with the approval of the government, to designate and demarcate areas as ancient monumental zones.

51. *The Pesticide Law* (1990) provides that the Registration Board shall prohibit the use of any pesticide for which registration has been obtained, on facts received from outside or inside the country that the pesticide may be hazardous to human beings, animals, crops and environment.

52. The Plant Pest Quarantine Law (1993): It is necessary to protect the local species of plant from danger of alien pests. The Law provides that no person shall, without obtaining the import certificate, import plant, plant product, pest, beneficial organism or soil.

53. The Fertilizer Law (2002) provides for systematic use of fertilizers to prevent environmental pollution and hazard to human beings and animals in respect of fertilizer business.

54. The Animal Health and Development Law (1993) contain provisions for preventing of dangers to animal feeds, prevention of infectious diseases, and prevention of cruelty to animals.

55. *Myanmar Environmental Law* (2012) promotes ecosystem and biological resources services while regulating extreme climatic events to ensure sustainable development not only for present but also for future generation.

56. *Farmland Law* (2012) provides the right for farming. It provides the person who has the permission of right to use farmland shall have to apply for getting the Land Use certificate to the Township Land Records Department office.

57. *The Vacant, Fallow and Virgin Lands Management Law* (2012) provides to get the permit the right to do, and right to utilize land of vacant, fallow and virgin land in the country for doing Agriculture, Livestock Poultry Farming and Aquaculture, Mining purposes and Government allowable other purposes.

58. *The Ward or Village Tract Administration Law* (2012) provides the formation of wards or villages, assigning administrator for security, prevalence of law and order, community peace and tranquility and carrying out the benefit of the public.

- 59. *The Social Security Law* (2012) objectives are as follows:
 - to support the development of the State's economy through the development of production by causing to enjoy more security in social life and health care by the workers who are major productive force of the State by the collective guaranty of the employer, worker and the State;
 - (ii) to enjoy more security in social life and medical care by the public by effecting their insurance voluntarily;
 - (iii) to raise public confidence upon the social security scheme by providing benefits which are commensurate with the realities;
 - (iv) to have the right to draw back some of the contributions paid by the employers and the workers as savings, in accord with the stipulations; and
 - (v) to obtain the right to continued medical treatment, family assistance benefit, invalidity benefit, ,survivors' benefit, unemployment benefit, the right to residency and ownership of housing after retirement in addition to health care and pecuniary benefit for sickness, maternity, death, employment injury of the workers.

IV. BENEFICIARIES AND MITIGATION MEASURES

60. There are 135 distinct ethnic minorities officially recognized. It is, therefore, expected that ethnic minority communities are present in areas where the project will be implemented.

The project will employ various measures to ensure that EGs in selected states and town participate in and receive benefits from the project. Participatory social assessments will be conducted in all project villages. With the support of community facilitators, screening and consultations will be undertaken with villagers, including ethnic minorities. Other measures to mitigate the risk that ethnic minorities are not able to fully participate in project implementation and receive project benefits will include: the recruitment of village volunteers elected from among EGs who assist the community facilitator throughout project implementation; the involvement of ethnic minorities in the decision-making process in the village tract forums; the participation of ethnic minority representatives in village implementation committees and monitoring sub-committees; and the use of local languages in the dissemination of project related information.

61. Below is the table describing the impact (positive and negative) to EG areas.

| Project component/ activity / output | Anticipated positive effect | Anticipated negative effect |
|--|---|---|
| 1)Communities mobilized and organized for identifying priority needs | EG communities will get the projects that they have been asking for from government. EG communities will have better access to basic services. EG communities can better participate in decision-making process of and integrate with larger community. | If modalities of consultation and participation to planning and implementation are not EGsensitive, appropriate to customary laws the following may occur: Subproject may not be appropriately designed for the EG community. They may be further marginalized from village development processes. Lack or low participation of the community, particularly women. Consultation and participation of EG will be done using gender and culturally sensitive approach and informal and formal leaders of EG will play a big role in finalizing the sub-project proposal with ethnic communities |
| 2) Village/village tract level infrastructure constructed | IPs will acquire project development and management skills.IPs will get technical assistance in developing their area.Village Tracks will be better equipped to serve the needs of IPs. | Conventional project development and management practices may run counter to EG traditional practices/ customary laws This will be avoided by having a prior discussion with informal and formal leaders on EG. The project will monitor and ensure no customary laws will be affected. |
| 3) Project management services institutionalized | Better data to understand the profile, characteristics and needs of EG households and communities. Better tracking of program outcomes and impacts for IPs. | If not treated sensitively will further marginalize IPs as wrong signals/interpretations may be made. Indicators have to be EG sensitive. IPs are more qualitative in worldview than |

Table 3: Impact Assessment in EG Areas

| Project component/ activity / output | Anticipated positive effect | Anticipated negative effect |
|--|--|--|
| | | quantitative, hence may require careful transposition of qualitative measures to quantitative modes for entry to database. |
| | Lessons learned on effective ways of engaging IPs in similar situation | Outcome indicators mapping and participatory planning and monitoring approaches will be applied in this project. |

V. COMPENSATION, INCOME RESTORATION, AND RELOCATION

62. **Compensation.** TheMinistry of Livestock, Fisheries and Rural Development (MLFRD) and DRD through the National Project Management Office (NPMO), shallwork closely with townships and villages in the preparation, implementation and monitoring of REGF. The NPMO, as represented by the Regional Project Management Offices (RPMO) and social safeguardsspecialist, will coordinate with the duly authorized representative/s of the TDC in determining the appropriate compensation for APs in accordance with the following compensation scheme:

- (i) APs losing more than 20% or all of their productive assets (agricultural land, house or business), or in cases when the remaining assets are not economically viable, are entitled to: a) full compensation at replacement cost of the entire asset or at direct land/asset replacement, and b) rehabilitation assistance that allows them to enhance or at least maintain their standard of living.
- (ii) APs losing less than 20% of their productive assets, and where the remaining assets remain viable for continued use, are entitled to cash the compensation at replacement cost for the affected asset.
- (iii) Agricultural land will be replaced by land of equal productive capacity, which is acceptable to the AP or full compensation at replacement cost, where land is not available.
- (iv) Commercial/residential land (or other real property) will be replaced by land of equal market value or business potential (as the case may be), which is acceptable to the AP or full compensation at current market value, where suitable replacement land is not available or at the informed request of the AP.
- (v) Replacement of damaged or lost crops will be based on full market value for one year's harvest and will be paid in cash.
- (vi) APs whose land is temporarily taken will be compensated at full replacement cost for their net loss of income and/or damaged assets, including a reasonable amount for opportunity cost/s.
- (vii) Appropriate transfer and subsistence allowances will be given during the transition phase as part of the rehabilitation assistance package to allow APs to enhance or at least maintain their standards of living.

63. The determination of all these compensation packages should be done prior to the conduct of the technical review so that the deed of donation or other modes of land acquisition can already be completed.

- 64. For APs losing residential land and structures:
 - (i) The provision of replacement residential land (house site and garden) of equivalent size, satisfactory to the AP; and cash compensation reflecting full replacement cost of the structures, without depreciation;
 - (ii) If the AP so wishes and the portion of the land to be lost represents 20% or less of the total area of the residential land area, and the remaining land is still a viable residential lot, cash compensation, at full replacement cost (market value), will be provided to the AP;
 - (iii) If after acquisition, the residential land and/or structure is insufficient to rebuild the residential structure lost, then at the request of the AP the entire residential land and structure will be acquired at full replacement cost, without depreciation; and
 - (iv) Tenants, who have leased a house for residential purposes will be provided with a cash grant of three months rental fee at the prevailing market rate in the area, and will be assisted in identifying alternative accommodation.
- 65. With respect to APs losing agricultural land and/or crops:
 - (i) The general mechanism for compensation of lost agricultural land will be through provision of "land for land" arrangements of equal productive capacity, satisfactory to the AP. However, if the AP so wishes and the portion of the land to be lost represents 20% or less of the total area of the landholding, and the remaining land is still a viable economic holding, cash compensation, at full replacement cost (market value) will be provided to the AP;
 - (ii) If more than 20% of a villager's agricultural land is acquired and the remaining holding is not viable, then the Project will acquire the entire landholding and provide compensation of the acquired land at direct land replacement;
 - (iii) APs will be compensated for the loss of standing crops and fruit or industrial trees at full (current) market price;
 - (iv) APs whose land is temporarily taken by the works under the Project will be compensated for their loss of income, standing crops and for the cost of soil restoration and damaged infrastructure, including a reasonable amount for opportunity cost/s; and
 - (v) APs who will lose their income will be provided opportunities for alternative livelihood, through skills and entrepreneurship training, job matching or business development assistance.

66. APs will also be provided compensation at full replacement cost, without depreciation for any other fixed assets affected in part or in total by the subproject, such as tombs and water wells. In cases where community infrastructure such as schools, churches, health centers, water sources, roads, or electrical and water supply connections are damaged, the Project will ensure that these are restored or repaired as the case may be, at no cost to the community. Additional details are provided in the Entitlement Matrix (Appendix 4).

67. **Assistance to vulnerable sectors.** Poor APs, i.e., female-headed households, elderly or with disability and with no other support from kin as well as poor IP APs are entitled to participate in income restoration programs that will be designed during the pre-implementation stage, and in coordination with the appropriate RD offices/units

68. As soon as the Project is approved and become effective, the consultation and social assessment will be conducted in the areas where EGs are present to ensure that the sub-

project activities will be in line to the social economic and aspiration of ethnic communities in the sub-project areas and in line with agreed REGF.

VI. PARTICIPATION OF WOMEN AND VULNERABLE SECTORS

69. There generally is equality in decision-making among males and females in EG communities. But in traditional and predominantly EG communities, the last word is that of the tribal leader, more often than not, a function attributed males. Local leadership is still highly male-dominated, but this does not prevent women from taking the necessary initiative to organize and perform localized decision-making.

70. The Gender Action Plan (GAP) ensures the engagement with local women's groups in key project activities. In case of under-representation or where needed, separate meetings with marginalized households, including women, shall be organized to discuss subproject proposals. Beyond the GAP, participation of women and the vulnerable/ marginalized sectors will be upheld across the project stages.

VII. CONSULTATIONS, PARTICIPATION AND DISCLOSURE

71. The MLFRD and DRD will ensure meaningful consultation of EGs and facilitate their informed participation on matters affecting them directly, such as proposed mitigation measures, sharing of project benefits and opportunities, and implementation arrangements. In the conduct of consultations, it will also take into consideration the cultural distinctiveness and differentialneeds and preferences of the various ethnic peoples to be potentially affected by the project.

72. To ensure full disclosure with EGs, all communication concerning the Project will take place in a culturally sensitive manner–in the ethnic language(s) of the EGs. Public meetings will be arranged in villages, using participatory methodology and the ethnic minority language(s). Information will be posted in a central public location such as the village head's house. Information will be mostly visual/illustrative to guarantee accessibility of the information for ethnic minority people with poor literacy skills.

73. Community villagers' opinions will be recorded in an appropriate way through minutes of the meetings. Notes will also be taken from all regular meetings between project implementation unit and ethnic minority leaders or village representatives chosen at village meetings. All the concerns from involved people will be recorded, brought into the project planning process and will be used during implementation to adjust project activities. Any concerns, claims or grievances brought up in meetings or other consultations will be recorded in the same way. The draft REGF will be disclosed at village level in a public meeting including all relevant stakeholders. The final REGF will also be disclosed at a public meeting. Women representing affected households must be present at the disclosure meetings. Copies of the REGF will be available at the village and township development council.

74. The sub-projects will be identified and proposed by the villagers and reviewed and approved by the village tract forums. The project design has specific requirements, including for representation of gender, ethnic and religious minorities, as applicable, and other vulnerable groups in the villages. Furthermore, as part of the technical design and safeguards planning, village tract forums and village implementation committees will consult with the households potentially affected by a sub-project before the village tract forum approves it. These

consultations will be done in a culturally gender appropriate manner, documented and included in the sub-project documentation, and disclosed locally. Training to ensure these measures are properly understood and effectively implemented will be provided to all relevant members of the village tract forums, village implementation committees and monitoring sub-committees, and DRD township staff. Summary of all consultations will be recorded.

75. ADB policies require that the RF/IPF be disclosed as a separate and stand-alone document by the MLFRD in Myanmar in Myanmar language and at the ADB website. Furthermore, sub-project documentation relating to the design and implementation of the safeguards instruments will be disclosed in the local language(s) in the affected communities.

76. Disclosure modalities will be in accordance with prevailing customs and traditions and written in English, Burmese, and in the EG language and authorized by community elders/leaders. They will be delivered and posted in conspicuous places or if lengthy, copies provided to community elders/leaders and EG organizations. Popular forms of printed materials include fact sheets, flyers, newsletters, brochures, issues papers, reports, surveys etc. Popularized materials aim to provide easily read information. These materials may be in the local language enhanced with drawings, to inform a wide range of IPs about the planning and assessment processes and activities.

77. The following are required to be disclosed (i) draft IPP, as endorsed by MLFRD before management review meeting, (ii) final IPP, (iii) new or updated IPP, and (iv) monitoring reports. These documents will be generated and produced in a timely manner, and posted in both ADB, and DSWD Project website, and at any locally accessible place in a form and language understandable to the affected EGs and other stakeholders.

78. The ADB SPS requirements as well as the ADB Public Communication Policy will serve as guide. The documents listed above will be uploaded in the Project management information system as well as the ADB website.

79. The Project adopts an institutionalization framework that integrates lessons in the implementation of CDD into the regular planning, budgeting, implementation, and monitoring systems, and structures of the village tracks and townships. In project areas where IPs are found, project staff will ensure that participatory approaches for engaging IPs, as well as the development priorities of IPs, are integrated into the local development planning system.

VIII. GRIEVANCE REDRESS MECHANISM

80. A grievance redress mechanism is an essential part of the Project to address the concerns that affected people may have about the project. In addition, participatory monitoring and social audits will be conducted so that any grievances that people affected by the project may have will be identified and redressed. Details regarding the grievance redress mechanisms will be included in the project operations manual. DRD staff and community members involved in project implementation will be trained, and the public in the participating townships will be continuously sensitized about the mechanism and how to use it.

81. A grievance redress mechanism will be established. This mechanism will handle any grievance arising from the Project, including regarding labor practices. The design of the grievance redress mechanism will be included in the project operations manual. It will specify the systems and requirements (including staffing) for the grievance redress "value chain", from uptake, sorting and processing and acknowledgement and follow-up, to verification and action,

monitoring and evaluation, and finally feedback. The NGO at the union level will help to develop and implement the project's grievance redress mechanism, train DRD staff and community members involved in implementation, and continuously sensitize the public in the participating townships – with a view to building DRD capacity so that it can take over responsibility for managing the mechanism over a 2-3 year period. A grievance redress mechanism is an essential part of the project and an integral part of the project's monitoring and information system. It aims to ensure that feedback is received, that the voices from the poor and marginalized groups are heard, and that the issues raised are resolved effectively and expeditiously. The details of the grievance redress mechanism will be included in the project operations manual. The manual will specify the systems and requirements (including staffing) for the grievance redress "value chain", from uptake, sorting and processing and acknowledgement and follow-up, to verification and action, monitoring and evaluation, and finally feedback.

82. Ethnic minorities' different ways and mechanisms of grievance redress will be taken into consideration in settling disputes. Any ethnic minority institutions and organizations in the affected area will also be involved in resolving any disputes that may arise. In addition, existing Village Mediation Committees at the local level of the Myanmar judicial system (which are used for grievances against local government agencies, civil actions and minor criminal matters) will be utilized to address grievances. Where matters cannot be resolved at the village level there is an appeals process at the township level.

83. The grievance redress mechanism will be carried out by the NGOs/firms hired at the union and township levels. To this end, the NGOs/firms will recruit dedicated staff, as needed. Information on the grievance redress mechanism will be disseminated widely in meetings and through pamphlets and brochures, specifically information on how and where to lodge complaints/grievances. The general public across the participating townships will also be continuously sensitized about the mechanism. The NGOs/firms will provide training to DRD staff at the union and township levels, the community facilitators and village volunteers, and the members of the village tract forums and village implementation committees. These actors will also encourage villagers to seek clarification or remediation through the mechanism if they have any questions or grievances. The NGOs/firms will report on findings and impacts during the annual multi-stakeholder reviews and social audits. Over time, the grievance redress function will be transferred to DRD.

IX. IMPLEMENTATION ARRANGEMENTS

84. The Ministry of Livestock, Fisheries and Rural Development (MLFRD) will be the Executing Agency and Department of Rural Development (DRD) will be the Implementing Agency. DRD will be responsible for supervise and coordinate the preparation and implementation of the Resettlement Plan and Ethnic Group Development Plan based on the agreed REGF. DRD will coordinate with other regional departments as appropriate through DRD township offices. Any ethnic minority institutions and organizations in the affected area will also be involved in supporting the preparation and implementation of the REGP. Qualified and experienced Social Safeguard specialist will be hired and will assist in the preparation of SIAs and EGPs/RP for each subproject as required. This specialist will work with the relevant township and the community villages to implement training and capacity building and other requirements of the REGF CSOs will be recruited as necessary to mobilize communities, facilitate community interactions, and assist local authorities and community leaders in the preparation of VDPs, EGP and RP.

85. **Capacity Building.** As there is no established CSS for Myanmar, the capacity of IA is still limited in preparing and implementing the REGF; it is also the first framework per SPS 2009 prepared for Myanmar. ADB's TA 7566-REG¹⁹ shall be implemented in Myanmar to strengthen the capacity of MLFRD and DRD officers to prepare and implement, and monitor social safeguards. The MLFRD and DRD officers responsible for these social safeguards will be prioritized in training and other related activities. Arrangements have been made with the team leader responsible for CSS RETA 7566 for Myanmar.

X. MONITORING AND REPORTING ARRANGEMENTS

86. The Project will ensure proper monitoring and evaluation of compliance of this IPPF/RF. Project monitoring will generally include the following:

- (i) Compliance Monitoring. The procedure for monitoring will be guided by the monitoring, evaluation, and reporting arrangements set forth in this REGF. Community self-assessments of subproject preparation and implementation, to provide an avenue for IPs to communicate whether they have been involved in project activities and whether the final subproject addresses their needs; and
- (ii) External monitoring by qualified and experienced experts or qualified NGOs to verify monitoring information and provide avenue for identification of cases where indigenous groups have been bypassed or marginalized in the subproject planning and selection process.

XI. SCHEDULE OF MONITORING AND REPORTING

87. The MLFRD and DRD will establish a schedule for the implementation of this REGF and taking into account the project's implementation schedule. It is expected that one month prior to the start of subproject implementation, internal and external monitoring key actors will have determined all REGF activities. Quarterly progress reports will be prepared and submitted to the ADB, following the Project regular reporting systems and procedures.

XII. BUDGET AND FINANCING

88. MLFRD and ADB sourced have allocated funds for planning and implementation of REGF. Specifically, the following key activities will be provided with the necessary budget support at implementation: (i) provision for social safeguards specialist: (ii) social assessment/s; (iii)internal and external monitoring; and (iv) capacity building for various levels. Detailed budget shall be prepared during the planning stage.

²³

¹⁹ ADB.2010. Strengthening and Use of Country Safeguard Systems. Manila. (TA 7566–REG).

OUTLINE OF THE ETHNIC GROUPS PLAN

- I. Executive Summary of the Ethnic Groups Plan
- II. Description of the Project
- III. Social Impact Assessment
- IV. Information Disclosure, Consultation and Participation
- V. Beneficial Measures
- VI. Capacity Building
- VII. Grievance Redress Mechanism
- VIII. Monitoring, Reporting and Evaluation
- IX. Institutional Arrangement
- X. Budget and Financing

OUTLINE OF RESETTLEMENT PLAN

- I. Executive Summary
- II. Project Description
- III. Scope of Land Acquisition and Resettlement
- IV. Socioeconomic Information and Profile
- V. Information Disclosure, Consultation and Participation
- VI. Grievance Redress Mechanisms
- VII. Entitlement, Assistance and Benefits
- VIII. Relocation of Housing and Settlements
- IX. Income Restoration and Rehabilitation
- X. Resettlement Budget and Financing Plan
- XI. Institutional Arrangements
- XII. Implementation Schedule
- XIII. Monitoring and Reporting

VOLUNTARY CONTRIBUTION FORM FOR STRIPS OF RESIDENTIAL LAND OR DEED OF DONATION (Sample)

Date:

I am fully aware that I/We will be affected by the ______ project and that the Project staff and local authorities have informed me/us of my/our right to receive compensation at replacement cost for all my/our affected assets, i.e., land, house, structures, trees and crops. The total compensation payment that I/we will be receiving is ______.

However, I/We voluntary donate a strip of my/our residential land (_______ sq.m) because the impacts on my/our land will be minor. Furthermore, I/we confirm that:

- My/Our residential land is not less than 300 sq.m. (Total residential land is _____sq.m);
- ☐ My total residential land is _____ sq.m, and the strip of land that to be donated is not more than 5% of my/our total residential land;
- there are no houses, structures or fixed assets on the land to be donated; and
- \square the equivalent amount in cash of the land that will be donated is

I hereby certify that the information stated herein

□ Was read and explained to me carefully by the project staff and local authorities
 □ I/We read it myself/ourselves.

If land being donated is conjugal property, spouse to sign below:

Name and signature/ thumbmark of spouse :_____

Witnessed By:

Signature over printed name

Position/Organization

| Name & Signature of | Village Chief: | Date: | |
|---------------------|----------------|-------|--|
| | | | |

Name & Signature of Project Staff: _____ Date: _____

SAMPLE OF ENTITLEMENT MATRIX

Table A4: Entitlement Matrix

| Asset | Impact Category | AP/Eligibility | Compensation Entitlement |
|---|--|---------------------------|---|
| Arable land | Less than 20% of land holding and the remaining land remains economically viable | Farmer/title holder | Cash compensation for affected land at full replacement cost |
| | | Tenant/lease holder | Cash compensation equivalent to market value of gross harvest of the affected land for one year or for the remaining period of tenancy/lease agreement, whichever is greater. |
| | More than 20% of land holding lost OR where less than 20% of land holding lost but remaining land becomes economically not viable | Farmer/title holder | Land for land replacement or compensation in cash according to AP's choice. Land for land replacement will be in terms of a new parcel of land of equivalent size and crop productivity with a secured tenure status at a location acceptable to the AP. The replacement land will be free of taxes, registration & other costs. Rehabilitation assistance Transfer/resettlement assistance |
| | | Tenant/lease holder | Cash compensation equivalent to market value of gross harvest for one year or for the remaining period of tenancy/lease agreement, whichever is greater. |
| | | Agricultural worker | Cash compensation equivalent to 6-month salary Assistance in getting alternative employment |
| Commercial land | Land used for business partially affected, limited loss | Title holder/ bus. man | Cash compensation for affected land at full market value Cash compensation equivalent to 5% of gross annual income |
| | | Rental/lease holder | Cash compensation equivalent to 10% of gross annual income. |
| | Land used for business severely affected, remaining area insufficient for continued | Title holder/ bus. man | Land for land replacement or compensation in cash according to AP's choice. Land for land replacement will be provided in terms of a new parcel of land of equivalent size and marketpotential with a secured tenure status at a location acceptable to the AP. The land will be free of taxes & other transfer costs. Rehabilitation assistance |
| | use | | Transfer/resettlement assistance Opportunity cost compensation equivalent to 10% of gross annual income. |
| | | Rental/lease holder | Opportunity cost compensation equivalent to 20% of gross annual income. Assistance in rental/lease of alternative land/property |
| Residential and other non- commercial land | Less than 20% of land holding affected and the remaining land remains viable for present use | Title holder | Cash compensation for affected land at full replacement cost |

| Asset | Impact Category | AP/Eligibility | Compensation Entitlement |
|--|--|------------------------|--|
| | | Rental/lease holder | Minimum cash compensation equivalent to 10% of lease/rental fee for the remaining period of rental/lease agreement |
| | More than 20% of land holding affected OR where less than 20% of land holding affected but remaining land becomes smaller than minimally accepted under zoning law/s and/or not viable for continued use | Title holder | Land for land replacement or compensation in cash according to AP/DP's choice. Land for land replacement will be of minimum plot of acceptable size under the zoning law/s or a plot of equivalent size, whichever is larger, in a nearby resettlement area with adequate physical and social infrastructure systems as well as secured tenure status. When the affected holding is larger than the relocation plot, cash compensation to cover the difference in area/size. Replacement land will be free of taxes, registration and transfer cost. Rehabilitation assistance Transfer/resettlement assistance |
| | | Rental/lease holder | Cash compensation equivalent to 20% of lease/rental fee for the remaining period of rental/lease agreement Assistance in rental/lease of alternative land/property |
| Structures (includes public utilities/structur es) | Structure partially affected but the remaining structure remains viable for continued use | Owner | Cash compensation for affected structure and other fixed assets Full (cash) assistance in restoration of the remaining structure |
| | | Rental/lease holder | Cash compensation for affected assets Disturbance compensation equivalent to two- month salary or rental whichever is greater |
| | Entire structure affected OR structure partially affected but the remaining structure is not viable for continued use | Owner | Cash compensation for entire structure and other fixed assets Rehabilitation assistance Transfer/resettlement assistance |
| | | Rental/lease holder | Cash compensation for affected assets Disturbance compensation equivalent to six- month salary or rental whichever is greater Assistance in alternative rental arrangements |
| | | Informal dwellers | Cash compensation for affected assets Disturbance compensation equivalent to three- month salary or rental whichever is greater |
| Standing crops | Crops affected by land acquisition or temporary acquisition or easement | AP | Cash compensation at full market value PLUS 5% premium |
| Trees | Trees lost | Title holder | Cash compensation based on type, age and productive value of affected trees PLUS 10% premium |
| Easement | Temporary acquisition or easement | Title holder | Minimum cash compensation equivalent to 10% of the value of affected asset |

HOW TO DO SOCIAL IMPACT ASSESSMENT AND INVENTORY OF LOSS, ETC.

1. To avoid negative social impacts of proposed subprojects, Resettlement Plan (RP) preparation is deemed necessary and will be part of the subproject proposal to be submitted to the Regional Management Office (RMO). The RP outline is attached as Appendix 2.

2. The guiding principles contained in this document will be adopted. The RP should reflect the inventory of affected persons and properties, number of persons eligible for each entitlement or form of assistance as stated in the RF, cost estimates and arrangements for consultation and participation.

3. If indigenous peoples are among the subproject beneficiaries, the RP should include details and documentation on IP consultation which should include:

- (i) Extensive consultation with and informed participation of IPs to ensure that development is culturally appropriate;
- (ii) In cases of provision for individual titling, areas with IPs should get information, education communication (IEC) sessions so that they are aware of what they are getting into and some of its potential dangers; and
- (iii) Capacity building activities.

4. Payment of compensation and provision of other entitlements (in cash or in-kind) will be satisfactorily completed for each subproject prior to the commencement of civil works by the community. The same time requirement would apply if APs voluntarily contribute any part of their land and/or assets for the subproject. That is, all deeds of donations and other relevant legal instruments for each subproject will be satisfactorily completed prior to the conduct of technical review and subsequent request for fund release.

5. Construction will not be allowed to commence until compensation has been paid and resettlement, when necessary, is completed in accordance with the approved RP and to the satisfaction of the APs. The formulation of the compensation package and subsequent payments made will be properly documented.

A. Affected Persons and Eligibility

6. Types of displaced persons within project area are as follows:

- (i) Persons with formal legal rights to land they may lose in its entirety or in part; Landowners:
- (ii) Persons who may lose the land they occupy or utilize in its entirety or in part who have no formal legal rights to such land, but who have claims to such lands such as customary claims, that are recognized or recognizable under national laws; and
- (iii) Persons who may lose the land they occupy or utilize in its entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land.

7. A cut-off date for eligibility to entitlements is established by the project. The cut-off date sets the time limits to determine eligibility of persons living and/or with assets or interests inside the project areas during the period to be counted as AP. Should they be adversely affected, they will be entitled to compensation for their affected assets, including rehabilitation measures as needed, sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels. A general information drive about the

project/subproject, cut-off dates and entitlements is held following subproject approval by the Government and ADB. Those who encroach into the project area, or any of its subprojects, after the cut-off date will not be entitled to compensation or any other assistance.

8. The RF recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels and therefore, at greater risk of impoverishment when their land and other assets are affected. The extent of impact on IPs and other disadvantaged groups, such as landless, poor, households headed by women, elderly, and disabled, who will receive special rehabilitation assistance will be determined during preparation of subproject FS and RP preparation. The Project's strategies on vulnerable groups are:

- Surveys of socioeconomic conditions of APs will identify the conditions, needs and preferences of poor households, women who head households (and other female APs) and ethnic minority APs; monitoring of resettlement activities will assess separately the impacts on vulnerable APs.
- (ii) Ensure that the process of land acquisition and resettlement does not disadvantage IPs, women, households headed by women or elderly or disabled, and poor households, particularly the landless.
- (iii) Preparation of information, IEC materials will take into consideration the language and literacy skills of participants, as well as other gender and cultural sensitivities that would affect their participation.
- (iv) The Project will give priority to vulnerable APs for employment for construction, operation and maintenance of physical infrastructure, reforestation and protection and other Project activities, where appropriate.

B. Socioeconomic Survey

9. A socioeconomic survey (SES) will be conducted to establish a baseline of demographic and socioeconomic conditions of people affected by the subproject. The sampling for the SES includes 20% of APs that will be severely affected due to loss of 20% or more of their productive land and/or other productive assets; and, at least 10% of all other APs.

10. The SES data will include information on the demographic characteristics of all AP household members, ownership of land and other assets, household living conditions and sources and levels of household income. Data will be disaggregated and analyzed by gender, ethnic group and income group. It also includes the socioeconomic conditions of specific AP groups. Results of the SES will be entered into the CDDSP database and Project management will ensure that this information is accessible for external monitoring.

C. Impacts Survey: Detailed Measurement Survey

11. An inventory of loss (IOL) survey or detailed measurement survey (DMS) will be conducted following the detailed design of a subproject and if needed, a demarcation of land acquisition. APs will be notified at least a month before the conduct of the IOL/DMS and requested to participate in the survey. The IOL/DMS will survey 100% of APs and collect data on (i) total landholdings and tenure; (ii) land, structures and other assets entirely or partially affected by land acquisition for the subproject; and, (iii) basic household information. Other relevant information will include (i) technical drawing of structures; (ii) exact measurements of land and other fixed assets; (iii) detailed descriptions and specifications of building materials; and, (iv) photographs of each structure. The DMS will be carried out in the presence of heads or members of households and completed DMS forms will be duly endorsed by household head or members. Endorsement of DMS forms at the time of DMS survey will preclude any complaints

by APs on the inaccuracy of inventory details at a later stage. The survey method will be updated and fine-tuned at implementation.

12. The information to be obtained in the IOL will include the following for each affected household:

- (i) Number of persons and names;
- (ii) Amount and area of all the residential plots lost;
- (iii) Amount, category/type and area of agricultural land lost;
- (iv) Quantity and types of crops and trees lost;
- (v) Quantity and category of any fixed assets lost; and
- (vi) Temporary damage to productive assets.

13. The entitlements of assets and land affected will be calculated based on the above information and per negotiation approval and acceptance of the community.

14. The data derived from this survey will constitute the basis for valuation of losses at replacement cost, calculating compensation amounts and determining compensation packages. The data will then be encoded and stored into the Project database maintained by Project management and accessible for external monitoring.

D. Replacement Cost Study

15. An independent property appraiser will be commissioned to conduct a replacement cost study (RCS) in each subproject to establish the unit costs to be used in compensating for affected assets. The unit costs should be at replacement level and based on empirical data. The study will be part of project cost.

16. **Compensation at replacement cost**. If affected people are unwilling to donate assets without compensation, or if impacts that go beyond the threshold for voluntary donations occur, village tract forums, with the support of the community facilitator, will develop an resettlement plan in the event that more than 200 people are affected by a sub-project, i.e., displaced either economically or physically.

17. **Detailed processes and procedures for the preparation of a resettlement plan**, including consultation and disclosure requirements and table of contents of these RPs is included in the annex. Furthermore, the processes and procedures for voluntary land donation and involuntary land acquisition including grievance redress will be summarized in a pamphlet in all applicable local languages and distributed in all participating villages.