

# Resettlement Framework

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## **Resettlement Framework**

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## Lao People's Democratic Republic: Northern Smallholder Livestock Commercialization Project

Prepared by the Ministry of Agriculture and Forestry for the Asian Development Bank (ADB).

## CURRENCY EQUIVALENTS

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\$1.00	=	KN8,410

## ABBREVIATIONS

ADB	–	Asian Development Bank
AHs	–	Affected Households
AP	–	Affected Persons
ASEAN	–	Association of South East Asian Nations
COI	–	Corridor of Impact
DIU	–	District Coordination Unit
DED	–	Detailed Engineering Design
DMS	–	Detailed Measurement Survey
DONRE	–	Department of Natural Resources and Environment
EA	–	Executing Agency
IA	–	Implementing Agency
IOL	–	Inventory of Losses
LPG	–	Livestock Producer Group
MAF	–	Ministry of Agriculture and Forestry
MONRE	–	Ministry of Natural Resources and Environment
NPMO	–	National Project Management Office
PAFO	–	Provincial Agriculture and Forestry Office
PIU	–	Provincial Coordination Unit
PPP	–	Public Private Partnership
PPTA	–	Project Preparatory Technical Assistance
RCS	–	Replacement Cost Study
RP	–	Resettlement Plan
SPS	–	ADB Safeguard Policy Statement (2009)

## GLOSSARY

- Affected person (AP) - Means any person or persons, household, firm, private or public institution that, on account of changes resulting from the Project, will have its (i) standard of living adversely affected; (ii) right, title or interest in any house, land, water resources or any other moveable or fixed assets acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence or habitat adversely affected, with or without displacement. In the case of a household, the term AP includes all members residing under one roof and operating as a single economic unit, who are adversely affected by a subproject or any of its components.
- Compensation - Means payment in cash or in kind to replace losses of lands, housing, income and other assets caused by the Project. All compensation is based on the principle of replacement cost, which is the method of valuing assets to replace the loss at current market rates, plus any transaction costs such as administrative charges, taxes, registration and titling costs.
- Corridor of Impact - It is the area which is impacted by civil works in the implementation of the Project and is important in two particular respects:  
(i) Legally as the area within which APs will be entitled to compensation and other measures (in general coming under the heading of resettlement) for any loss of land, structures or land use and occupation and of livelihoods.  
(ii) Operationally as the agreed and demarcated area within which construction activities will take place and which must be cleared of all structures and obstructions.
- Cut-off date - This refers to the date that establishes the eligibility of affected persons. To be consistent with previous projects under MAF, the cut-off date for this project coincides with the completion of the census of affected persons after the Provincial Coordination Unit officially informs the public about the Project and its locations. Anyone who occupies or encroaches into the defined boundaries of the Project area after the cut-off date will not be compensated for affected assets and incomes.
- Detailed Measurement Survey (DMS) - With the aid of the approved detailed engineering design, this activity involves the finalization and/or validation of the results of the inventory of losses (IOL), severity of impacts, and list of APs earlier done during RP preparation. The final cost of resettlement can be determined following completion of the DMS.
- Displaced Person - In the context of involuntary resettlement, displaced persons are those who satisfy the condition of "Cut-off Date for Eligibility" (*see definition below*) and who are physically displaced (relocation, loss of residential land or loss of shelter) and/or economically displaced (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of involuntary acquisition of land, or involuntary restrictions on land use or on access to legally designated parks and protected areas in connection with the Project. In this Resettlement Framework, it is used interchangeably with "affected persons" unless otherwise specified.
- Eligibility - Means any person or persons, household, firm, private or public institution who has settled in the Project area before the cut-off date who may incur (i) loss of

shelter, (ii) loss of assets or ability to access such assets, permanently or temporary, or (iii) loss of income sources or means of livelihood, regardless of relocation, will be entitled to be compensation and/or assistance for their losses.

- Entitlements - Refers to a range of measures comprising compensation, income restoration support, transfer assistance, income substitution, relocation support, etc. which are due to the APs, depending on the type and severity of their losses, to improve or at least restore their living conditions into pre-project levels.
- Income Restoration - This is the re-establishment of sources of income and livelihood of severely affected and vulnerable households to supplement the compensation received for affected assets to at the least restore their living standards to pre-project levels or bring these to minimum national standards.
- Inventory of Losses (IOL) - This is the process where all fixed assets (i.e., lands used for residence, commerce, agriculture, including ponds; dwelling units; stalls and shops; secondary structures, such as fences, tombs, wells; trees with commercial value; etc.) and sources of income and livelihood inside the (project area) are identified, measured, their owners identified, their location identified, and their replacement costs calculated. Additionally, the severity of impact to the affected assets and the severity of impact to the livelihood and productive capacity of APs will be determined.
- Land acquisition - Refers to the process whereby an individual, household, firm or private institution is compelled by a public agency to alienate all or part of the land it owns or possesses to the ownership and possession of that agency for public purposes in return for compensation at replacement costs.
- Relocation - This is the physical relocation of an AP from her/his pre-project place of residence and/or business.
- Replacement cost - Means the method of valuing assets at current market value, or its nearest equivalent, plus any transaction costs such as administrative charges, taxes, registration and titling costs.
- Replacement Cost Study - This refers to the process involved in determining replacement costs of affected assets based on empirical data.
- Resettlement Plan (RP) - This is a time-bound action plan with budget setting out compensation and resettlement strategies, objectives, entitlement, actions, responsibilities, monitoring and evaluation.
- Vulnerable Groups - These are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) female-headed households with dependents; (ii) disabled household heads; (iii) poor households; (iv) children and the elderly households who are landless and with no other means of support; (v) landless households; (vi) ethnic groups falling under ADB's definition of Indigenous Peoples.

#### **NOTE**

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

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## I. INTRODUCTION

### Project Description

1. Laos is set to enter the ASEAN Economic Community in 2015, making possible new opportunities for trade in agricultural commodities. Due to growing population levels, as well as changing diets associated with rising incomes, there is an increasingly strong market demand for livestock products from the neighboring countries of the People's Republic of China, Viet Nam and Thailand, as well as domestically.

2. Laos is well positioned to capitalize on the growing livestock demand; however the extent that livestock production can reduce poverty, meet growing domestic meat demand and lift livestock exports is hampered by the low level and quality of production and the condition of its agricultural value chains. Key constraints are limited producer group capacity, poor animal husbandry, limited access to quality feed, fragmented market infrastructure (with limited processing systems and facilities), lack of credit and services; lack of product standards, and information failures across supply chains.

3. The Northern Smallholder Livestock Commercialization Project (the Project) will enable local producer groups and agribusinesses to increasingly meet the high market demand by improving agricultural value chains, with a focus on livestock in the Northern provinces. The Project will strengthen farmer groups to increase market driven quality and quantity production. It will assist the government to develop enabling conditions, including standard contracts, to enable farmer groups and agribusiness to efficiently interact. In addition to improving production infrastructure at the farm level, it will finance the construction of mid-sized livestock processing plants. To support the sustainable and efficient management of the processing plants, the Project will develop standard arrangements for Public Private Partnerships (PPP). It will also provide support to the Pakseung Agriculture College in Luang Prabang to modernize its facilities and improve market oriented training. The project will be implemented in the provinces of Houaphanh, Luang Namtha, Luang Prabang, and Xieng Khouang.

4. The Ministry of Agriculture and Forestry (MAF) will be the executing agency (EA) and will establish a National Project Management Office (NPMO) that will be responsible for overall project coordination and management including project planning, implementation, monitoring and reporting. The Provincial Agriculture and Forestry Office (PAFO) of each province will establish a provincial implementation unit at the province level and a district implementation unit at the district level to provide day-to-day support for project implementation and ensure coordination with districts and villages.

### Scope and Nature of Resettlement Impacts

5. In general, involuntary resettlement is not significant, meaning, no more than 200 persons will be physically displaced or lose more than 10 percent of their productive assets. In fact, it is anticipated that only minor impacts will occur and no household will be severely affected. Involuntary resettlement impacts of each of the project outputs are set out below.

6. **Output 1: Strengthened smallholder and value chain actors.** This output has no involuntary resettlement impacts. Land use planning will not result in adverse social impacts due to restrictions on land use or legally designated protection areas.

7. **Output 2: Strengthened value chain infrastructure.** Infrastructure for wet market, meat processing, and slaughterhouses will be rehabilitated and/or constructed. Slaughterhouses require the largest land area at a maximum of 3 ha. Livestock production and marketing group (LPMG)

productive equipment and materials needed to support livestock production such as animal fences, corals, etc. may require small parcels of land. These may also have minor impacts on structures, crops, and trees.

8. **Output 3: Improved access to credit for livestock value chain.** A credit facility will be established under the Project in 2016 using IFAD funds. At that time, an Environment and Social Monitoring System will be established to address the impacts arising from the investments made under the credit facility, and will be subject to IFAD and ADB approval.

9. **Output 4: Effective project management.** This output has no involuntary resettlement impacts.

10. To avoid or minimize the potential resettlement impacts, the project will:

- (i) Consider design alternatives that will have the least or have no involuntary resettlement impact;
- (ii) Put up infrastructure on unused public, communal, or village land;
- (iii) Supervise construction activities closely to ensure adherence to approved designs so no additional involuntary resettlement impacts will ensue.

### **Rationale for a Resettlement Framework**

11. Under the PPTA, the support farm level production infrastructures and livestock processing facilities have been identified. However, the quantities of the infrastructures and facilities to support and the specific locations to construct the schemes have not yet been decided by relevant agencies. The resettlement plans, therefore, cannot be prepared in this stage, but in the project implementation.

12. The Resettlement Framework sets out the objectives, principles, eligibility criteria and entitlements for affected persons (APs), based on (i) ADB Safeguard Policy Statement, (ii) the national legal context, and (iii) institutional framework. It details entitlements and modes of compensation, participation and consultation procedures and grievance redress mechanisms that will be employed to compensate and assist APs in order to enable them to attain an equivalent or better living standard than they had before the Project. It also sets out the steps for preparation of resettlement plan (RP) for any component or subproject that entails involuntary resettlement and/or effects on land, property or livelihood.

13. The Government's relevant regulations, ADB's SPS (2009) and related Operational Manuals define the Project's context for the planning and implementation of land acquisition, resettlement and compensation for recovered assets and adversely affected incomes, including measures for ensuring that affected people or households are able to restore their standards of living to at least their pre-project levels.

14. Where issues arise relating to compensation and assistance of APs that have not been specifically reconciled, the ABD's SPS (2009) shall prevail.

## **II. OBJECTIVES, POLICY FRAMEWORK AND ENTITLEMENTS**

### **Relevant Laws and Regulations of Lao PDR**

15. In Lao PDR, compensation principles and policy framework for land acquisition and resettlement are governed by laws, decrees and regulations of the Government of Lao PDR,



principally the Constitution (1991) the Land Laws (1997, 2003), the Road Law (1999), Decree 192/PM on Compensation and Resettlement of Development Projects (July 2005), the Regulations for Implementing Decree 192/PM issued by the Science Technology and Environment Agency (November 2005) and the Technical Guidelines for Compensation and Resettlement of People Affected by Development Projects (updated on March 2010).

16. The Constitution (1991) sets out the broad framework for the ownership and management of land in Lao PDR, as well as the rights of ethnic groups. Article 15 of the Constitution defined that land is owned by the national community and the State ensures the rights to use, transfer, and inherit it in accordance with the law.

17. In relation to the land acquisition and resettlement, the 1997 Land Law (Article 54) allows for land acquisition by the State for the public interests. When land is required for use in the public interests, the relevant authorities are required to compensate the land users for their losses (Article 61). The determination of assessed losses shall be undertaken by a committee comprising representatives of all concerned agencies (Article 62).

18. Land Law (No. 04/NA) of 21 October 2003 supersedes the previous Land Law (1997) and become the principal legislation by which the State exercises its constitutional responsibility for the management, preservation and use of land. According to the Law (Article 63), the rights of an individual or organizations to use land can be terminated if the State recovers the land for public purposes. The Law also requires the land users to be compensated when land is recovered. In the Article 71, the Law specified that, the State shall make appropriate compensation to the affected person; each village, province, municipality, or special zone shall keep 5% of its total land area in reserve to ensure the compensation for the recovered land. In the case of land acquisition, holders of documents issued by district authorities such as survey certificates, land tax receipts, residency certificates and customary land use right are generally recognized as eligible for compensation. Land users who lack proof of ownership and/or certifications, but who occupy land with the permission of village authorities are considered to be legal, unregistered users. The Land Law provides mechanisms for which individuals, except those living within identified right-of-way (ROW), can apply for certification.

19. The Road Law (1999) sets out the principles and regulations for public roads outside of urban areas. In relation to land acquisition and resettlement, the Road Law (Article 19) requires “reasonable” compensation to the owner whose land will be acquired for the right-of-way (ROW), relocation and replacement structures and loss of trees and crops.

20. Decree 192/PM on the Compensation and Resettlement of Development Projects was issued in July 2005, and together with its Regulation on Implementation (November 2005) and Technical Guidelines (as updated in March 2010), provides a comprehensive framework for resettlement planning in Lao PDR. In relation to compensation and assistance for affected land and public facilities under the Northern Smallholder Livestock Commercialization Project, following are the relevant provisions of the Decree 192/PM:

- Article 6 – Compensation principles state that before compensation, a joint committee will be established to assess loss to APs. APs will be entitled to compensation for structures at replacement cost, compensation will be payable for losses of income due to the project, and those without documented legal title will still be entitled to compensation for lost structures and other support so as not to be negatively impacted..
- Article 6 – paragraph 6. States that APs who are living in rural or remote areas, who do not have any legal Land Use Certificate or any other acceptable proof indicating land use right to the affected land and assets they occupy shall be compensated for their lost rights to use land and for their other assets at replacement cost and provided additional assistance to

ensure that they are not worse-off due to the project. APs in urban areas, who do not have any legal Land Use Certificate or any other acceptable proof indicating land use right to the affected land and assets they occupy and who have no land at other places will be compensated for their lost rights to use land and for their other assets at replacement cost and other additional assistance to ensure they are not worse off due to the project.

- Article 8 – entitlement to economic rehabilitation measures if more than 20% of income-generating assets are lost due to a development project.
- Article 11 – voluntary donation of land by APs is only acceptable if the impact on their income generation is not significant (less than 20% reduction), no physical displacement is caused, and APs are fully aware of their entitlements before relinquishing them.
- Article 11 – project proponents will define mitigations measures and socioeconomic benefits to improve the status of ethnic groups which will be developed in consultation with the communities and in harmony with their cultural preferences.
- Article 17 of the Regulations – requires a separate section on ethnic groups issues and mitigation measures in the RP. Where impacts on ethnic groups are more significant, an Ethnic Groups Development Plan will be prepared.

21. The provisions of the Decree 112/PM on Environmental Assessment are also parts of legal context on compensation, assistance, resettlement and restoration of living conditions of APs. It stipulates that a social management and monitoring plan (SMMP) should be part of environmental assessment. This SMMP should define the main social activities, measures on prevention, minimization and mitigation of social impacts, as well as measures on compensation, assistance, resettlement and restoration of living conditions of the people who are (will be) affected by the investment project. In March 2010, an update on Technical Guidelines for Compensation and Resettlement (from Nov 2005) was published. The Guidelines explain in detail the processes and procedures necessary for collection of data, surveys and preparation of various documents in accordance with the provisions of Decree 192 on Resettlement and Compensation.

### **ADB Policy on Involuntary Resettlement**

22. On 29 June 2009, ADB updated its safeguards policies by integrating its policies on involuntary resettlement, Indigenous Peoples and the environment into the Safeguards Policy Statement (SPS). The SPS was approved by the ADB Board on 20 July 2009 and became effective on 20 January 2010.

23. ADB's SPS covers 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 – regardless of whether such losses and involuntary restrictions are full or partial, permanent or temporary. Projects financed by ADB are expected to abide by the following policy principles:

- a. Screen early to identify involuntary resettlement impacts and risks and determine the scope of resettlement planning through a survey and/or census of displaced persons, including a gender analysis, specifically related to resettlement impacts and risks.
- b. Carry out meaningful consultations with displaced persons, host communities, and concerned non-government organizations. Inform all displaced persons of their entitlements and resettlement options and ensure their participation in various stages of the project especially vulnerable and poor groups. Establish a grievance redress mechanism to receive and facilitate resolution of the displaced persons' concerns. Support the social and cultural institutions of displaced persons and their host population.
- c. Improve, or at least restore, the livelihoods of all displaced persons through (i) land-based resettlement strategies when affected livelihoods are land based where possible or cash

compensation at replacement value for land when the loss of land does not undermine livelihoods, (ii) prompt replacement of assets with access to assets of equal or higher value, (iii) prompt compensation at full replacement cost for assets that cannot be restored, and (iv) additional revenues and services through benefit sharing schemes where possible.

- d. Provide physically and economically displaced persons with needed assistance, including the following: (i) if there is relocation, secured tenure to relocation land, better housing at resettlement sites with comparable access to employment and production opportunities, integration of resettled persons economically and socially into their host communities, and extension of project benefits to host communities; (ii) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (iii) civic infrastructure and community services, as required.
- e. Improve the standards of living of the displaced poor and other vulnerable groups, including women, to at least national minimum standards. In rural areas provide them with legal and affordable access to land and resources, and in urban areas provide them with appropriate income sources and legal and affordable access to adequate housing.
- f. Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement to ensure that those people who enter into negotiated settlements will maintain the same or better income and livelihood status.
- g. Ensure that displaced persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- h. Prepare a resettlement plan elaborating on displaced persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- i. Disclose both the draft and final resettlement plan in a form and language understandable to displaced persons and other stakeholders.
- j. Conceive and execute involuntary resettlement as part of a development project or program. Include the full costs of resettlement in the presentation of project's costs and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- k. Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- l. Monitor and assess resettlement outcomes, their impacts on the standards of living of displaced persons, and whether the objectives of the resettlement plan have been achieved by taking into account the baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

24. Calculation of full replacement cost will be based on the following elements: (i) fair market value; (ii) transaction costs; (iii) interest accrued, (iv) transitional and restoration costs; and (v) other applicable payments, if any. In the calculation, depreciation of structures will not be taken into account. It is expected that qualified and experienced experts will undertake the valuation of acquired assets.

25. Persons or households without formal legal rights nor recognized or recognizable claims to the acquired land are still entitled to be compensated for their loss of assets other than land, such as dwellings or other improvements on the land at full replacement cost, provided that they have occupied/used the land or structures in the affected land prior to the cut-off date.

### **Reconciliation of Government and ADB Policies**

26. In general, the main principles of the government policies on land acquisition, compensation, assistance and resettlement – particularly those mentioned in the Decree 192/PM such as compensation for all losses at replacement cost, the definitions of APs and vulnerable

groups, the rights of affected people without recognized land use rights, the requirement of preparation of economic rehabilitation for severely affected households and vulnerable households; preparation of strategies to address the needs of minority ethnic groups and women affected by land acquisition, and others - reflect those reflected in ADB's SPS (2009).

27. However, there are some differences between ADB's SPS and the government's legislation. Both Lao Law and ADB resettlement policy entitle APs to compensation for affected land and non-land assets at replacement cost. However, definition of severely affected APs varies between ADB (Operational Manual Section F1/OP, Para. 9) at 10% and Decree 192/PM (Article 8) at 20% of income generating assets affected. Both Lao Law and ADB resettlement policy entitle APs to compensation for affected assets at replacement cost and other assistance so that they are not made worse off due to the proposed Project. Decree 192/PM goes beyond ADB's policy and provides APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, will be compensated for their lost rights to use land not just for their assets at replacement costs and other additional assistance to ensure they are not worse off due to the project. Should APs be found to be non-titled and required to relocate, the proposed Project will ensure they are provided replacement land at no cost to the APs, or cash sufficient to purchase replacement land.

28. Key differences between ADB Resettlement Policy and Lao's legislation, including measures to address the differences, are outlined in Table 1 below.

**Table 1. Differences between ADB and Lao's Legislation, including Measures to Address the Differences**

No.	Items with Difference in Policy	ADB Policy	Lao's Legislation (Decree 192/PM)	Measures to Address the Difference
1	Affected Persons	Displaced persons are those who are physically displaced (relocation, loss of residential land, or loss of shelter) and/or economically displaced (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 area.	Any person, entity or organization affected by a project, who, due to land acquisition or change in land use would have their standard of living adversely affected; house, land or resources temporarily or permanently affected; business, occupation place of work or residence adversely affected; community resources adversely affected.	Any person or persons, household, firm, private or public institution that, on account of changes resulting from the Project, will have its (i) standard of living adversely affected; (ii) right, title or interest in any house, land, water resources or any other moveable or fixed assets acquired, possessed, restricted or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence or habitat adversely affected, with or without displacement. In the case of a household, the term AP includes all members residing under one roof and operating as a single economic unit, who are adversely affected by a subproject or any of its components
2	Vulnerable Households	Individuals and groups who may be differentially or disproportionately affected by a project because of their disadvantaged or vulnerable status. Vulnerable groups generally include the poor, women-headed households, Indigenous Peoples, the elderly and disabled	Vulnerable households include (i) divorced or widowed female headed households with dependents and low income; (ii) households with disabled or invalid persons; (iii) poor or landless households; (iv) elderly households with no means of support.	Vulnerable households are (i) female headed households with dependents; (ii) disabled household heads; (iii) poor households; (iv) children and the elderly households who are landless and with no other means of support; (v) landless households; (vi) ethnic minorities that fall under ADB's definition of Indigenous Peoples
3	Severely	Being physically	Losing 20% or more of	Being physically

No.	Items with Difference in Policy	ADB Policy	Lao's Legislation (Decree 192/PM)	Measures to Address the Difference
	Affected Households	displaced from housing; losing 10% or more of productive assets (income generating)	productive income generating assets (loss of agricultural, industrial or commercial land) and means of livelihood, employment or business, and access to community resources	displaced from housing; and/or losing 10% or more of productive assets (income generating)
4	Compensation	Full replacement costs. Land-based resettlement strategies for displaced persons whose livelihoods are land-based. Cash compensation at replacement cost if land is not available. Income and livelihood restoration.	Replacement costs. Land for land compensation for large land holdings affected. Income restoration.	Full replacement costs. Land-based resettlement strategies for displaced persons whose livelihoods are land-based. Cash compensation if land is not available based on full replacement cost. Income and livelihood restoration.
5	Compensation for those without formal, recognized, or recognizable rights on land	APs are not compensated for affected land, but are eligible for compensation of non-land assets and other assistance.	APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, will be compensated for their lost rights to use land and for their assets at replacement costs and other additional assistance. APs without legal title on land and required to relocate will be provided replacement land at no cost or cash sufficient to purchase replacement land.	In general, APs without legal titles or recognized rights on land will not receive compensation for affected land. However, in accordance with Lao Law, APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, will be compensated for their lost rights to use land and for their assets at replacement costs and other additional assistance. APs without legal title on land and required to relocate will be provided replacement land at no cost or cash sufficient to purchase replacement land.
6	Voluntary donations	Voluntary donations are not covered under the SPS. However, international standards	Only if marginal impacts (less than 20% of productive assets) and do not result in physical	Voluntary donations are accepted only where: (i) AP is direct beneficiary of the project; (ii) for

No.	Items with Difference in Policy	ADB Policy	Lao's Legislation (Decree 192/PM)	Measures to Address the Difference
		for voluntary land donations are usually followed.	displacement. APs aware of entitlements.	residential land - the affected portion is less than 5% of the total area and the remaining residential land is more than the minimum standard for residential land for a household as per the Government's regulations; and, there are no structures or fixed assets on the affected portion; (ii) for production land, the affected portion is less than 10% of the total land holding of the household; and (iii) informed choice decision, transparent and monitored process, based on Decree 192.

## Key Principles and Objectives

29. The Northern Smallholder Livestock Commercialization Project will abide by the following involuntary resettlement principles:

- a. Involuntary resettlement and impacts on land, structures and other fixed assets will be avoided or minimized to the fullest extent possible
- b. When involuntary resettlement impacts ensue, mitigation and rehabilitation measures will be put in place that will improve or at least restore living standards of affected persons to pre-project levels. Compensation will be based on replacement cost at the time of payment.
- c. A household is considered severely affected if it loses 10% or more of its productive assets.
- d. Displaced persons without title or any recognizable legal rights to land are eligible for compensation for non-land assets at replacement cost and assistance including income restoration measures. In accordance with Lao Law, APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, will be compensated for their lost rights to use land and for their assets at replacement costs and other additional assistance. APs without legal title on land and required to relocate will be provided replacement land at no cost or cash sufficient to purchase replacement land.
- e. Residential and agricultural land for replacement should be close to the previous places as much as possible and be suitable to displaced persons. Productive lands will be replaced with lands of equivalent productive capacity.
- f. Meaningful consultation will be carried out with the displaced persons and concerned groups and ensure participation from planning up to implementation. The comments and suggestions of the APs and communities will be taken into account.
- g. Resettlement Plans will be disclosed to APs in a form and language(s) understandable to them prior to submission to ADB.
- h. Resettlement identification, planning and management will ensure that gender concerns are incorporated.
- i. Special measures will be incorporated in the resettlement plan to protect vulnerable groups.
- j. Existing cultural and religious practices will be respected and preserved to the maximum extent practical.
- k. Culturally appropriate and gender-sensitive social impact assessment and monitoring will be carried out.
- l. Resettlement transition stage should be minimized. Restoration measures will be provided to displaced persons before the expected starting date of construction in the specific location.
- m. Budget for payment of compensation, assistance, and resettlement and support will be prepared sufficiently and made available during project implementation and by the provinces.
- n. The NPMO will not issue notice of possession to contractors until the NPMO officially confirmed in writing that (i) payment has been fully disbursed to the displaced persons and rehabilitation measures are in place (ii) displaced persons have cleared the area in a timely manner; and (iii) the area is free from any encumbrances.
- o. Cut of date is the date when the census of affected persons is completed after provincial coordination unit/district coordination unit (PIU/DIU) officially informs the public about the Project and its locations.
- p. Effective and responsive grievance redress mechanisms will be set up and made known to affected persons.

## Eligibility and Entitlements

30. Eligibility will be determined with regards to the cut-off date, which is taken to be the date when the census of affected persons is completed after the PIU officially informs the public about the locations of infrastructure components. The APs will be duly informed of the cut-off date. Any person



who settles in the proposed location after the cut-off date will not be entitled to compensation and assistance under the project.

31. In addition, the extent of eligibility for compensation in regards to land is determined by legal rights to the land concerned. There are three types of APs: (i) person with formal legal rights to land and/or structures lost entirely or in part, (ii) persons who have no formal legal rights to land and/or structures lost wholly or in part but who have claims to such lands that are recognized or recognizable under national law, and (iii) persons who lost the land they occupy in entirety or in part who have neither formal legal rights nor recognized or recognizable claims to such land. APs under the first two types above shall be compensated for the affected land and assets upon land. APs under the third type shall not be compensated for the affected land; only for the affected assets upon land and are entitled to assistance if they have to relocate. In accordance with Lao Law, APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, will be compensated for their lost rights to use land and for their assets at replacement costs and other additional assistance. APs without legal title on land and required to relocate will be provided replacement land at no cost or cash sufficient to purchase replacement land.

32. The entitlement matrix presented in the Table 2 below sets out the entitlements of different types of losses and eligible APs. Standards described in the matrix may be revised and enhanced during preparing and updating of the resettlement plans based on the impacts identified and as per meaningful consultation with affected persons. However, they cannot be downgraded.

33. Replacement rates for land and other assets will be established for each project province by the provincial resettlement committee. The replacement costs will be verified during detailed measurement survey (DMS) based on an updated replacement cost survey during updating of Resettlement Plans.

**Table 2. Project Entitlement Matrix**

Type of Impact/Loss	Eligibility/ application	Entitlement policy	Implementation Issues
A. Loss of agricultural or other productive land	Land users (i) with formal rights or (ii) recognized or recognizable claims on the land	As a priority, APs will be allocated replacement land of similar type, category and productive capacity, located in the same village and with land title or secure tenure. If land is not available or the APs chooses, cash compensation at replacement cost based on market rates at the time of compensation.	If the remaining land of the household is no longer economically viable as assessed by the provincial resettlement committee, the entire plot of land will be acquired. All transaction fees, taxes and other costs associated with allocation of replacement land with title or secure tenure will be paid by the Project
	Land users who do not have formal, or recognized, or recognizable claim to the affected land	In general, no compensation shall be provided for the affected land. However, in accordance with Lao Law, APs living in rural or remote areas, or APs in urban areas who do not have proof of land-use rights and who have no other land in other places, will be compensated for their lost rights to use land and for their assets at replacement costs and other additional assistance. APs without legal title on land and required to relocate will be provided replacement land at no cost or cash sufficient to purchase replacement land.	Assets upon the affected land shall be compensated at replacement cost at the time of payment.
	Users with temporary or lease rights	APs that hold a lease for use of agricultural land (e.g., for a concession) will receive compensation equal to the remaining value of the lease plus compensation for	The provincial resettlement committee will define the costs for land improvements.

Type of Impact/Loss	Eligibility/ application	Entitlement policy	Implementation Issues
		improvements on the land.	
<b>B. Loss of Residential Land</b> Fully affected or the remaining area is insufficient to build the house as government's regulations	Land users (i) with formal rights or (ii) with recognized or recognizable claim on the land.	Replacement land that equal in area, type and category of the affected land at a location satisfactory to APs and with registered title or secure tenure; OR Cash compensation at replacement cost based on the market rates at the time of compensation for land of similar type, category and location.	All transaction fees, taxes and other costs associated with allocation of replacement land with title or secure tenure will be paid by the Project
	Land users who do not have any formal, recognized, or recognizable claim on the affected land	APs will not receive compensation for affected land. If the land-user has no other place to stay will be allocated replacement land with leasehold tenure to rebuild their house.	Non-land affected assets will be compensated at replacement cost.
Partially affected	Land users with (i) formal rights or (ii) recognized or recognizable claim on the land	Cash compensation at replacement cost	
	Land users who do not have any recognizable claim to the affected land	No compensation for the lost area	Non-land affected assets will be compensated at replacement cost.
<b>C. Impacts on Structures</b> For structures that are completely acquired or no longer viable for continued use	Owners of the structures, regardless of land tenure status.	Will be compensated at replacement cost which is tantamount to 100% of the value of the structure in conformity with the unit prices of a newly built house or structure.	The unit prices of a newly built house or structures are calculated based on market rates at the time of compensation for materials, materials transport and labor to build the house or the structure of similar size, materials and

Type of Impact/Loss	Eligibility/ application	Entitlement policy	Implementation Issues
			quality. Depreciation or value of salvageable materials will not be deducted from the compensation amount.
For partially affected structures that are still viable for continued use.	Owners of the structures regardless of land tenure status.	Cash compensation will be provided at full replacement cost equal to current market prices for materials, materials transport and labor to repair or rebuild affected part of the structure.	Depreciation or value of salvageable materials will not be deducted from the compensation amount.
D. Loss of Crops and Trees	Owners regardless of land tenure status	For annual crops that cannot be harvested, cash compensation equivalent to current market prices times the average yield/crop calculated over the past three (3) years. For fruit and nut trees, cash compensation at replacement cost equal to current market prices given the type, age and productive capacity at the time of compensation. For timber trees, cash compensation at replacement cost equal to current market prices based on types, age and diameter at breast height of trees. In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.	As a mitigation measure, PIU will provide notices to the households six months in advance to harvest annual crops.
E. Impacts on Business and Income			

Type of Impact/Loss	Eligibility/ application	Entitlement policy	Implementation Issues
Permanent Loss of livelihood/ source of income	Business owners/ lease holders/	Cash compensation for lost income based on 3 months of actual income (as determined through interviews, consultations and tax declarations) or minimum wage rates.	If the APs have to relocate, the transport costs for business equipment and materials to new place will be provided. The joint committee will define the cost.
Temporary loss of business income	APs with businesses that are disrupted temporarily	Cash allowance equal to the provincial daily wage or average daily revenues (sources of information on actual income will be interviews, consultations and tax declarations) whichever is higher, for the number of days that business activity is disrupted.	
F. Impacts on Public Facilities (i.e., Electricity poles, communications) and Public Infrastructure	Public agencies who manage the facilities	Cash compensation at full replacement cost for removal and installation facilities following the technical standards issued by the Government. Affected buildings and structures will be restored to original or better condition	The provincial resettlement committee will define the replacement cost for removal and installation of facilities.
G. Loss of Common Property Resource	Affected persons utilizing the common property resource	The affected land will be replaced in areas identified in consultation with affected persons.	If an affected person uses the common property resource as a source of income or livelihood, alternative forms of livelihood will be sought and the affected person will be entitled to income restoration measures.
H. Assistancess  Transition subsistence allowance	APs that relocate and rebuild house	Cash allowance and/or in-kind assistance equal to 16 kg of rice per household member for three (3) months for all household members.	Cash allowance or in-kind assistance will be the APs' option

Type of Impact/Loss	Eligibility/ application	Entitlement policy	Implementation Issues
	APs that lose more than 10% of their total productive assets	Cash allowance and/or in-kind assistance equal to 16 kg of rice per household member for six (6) months for all household members if the household losses from 10% to 50% of total production land holding; nine (9) months for all household members if the household losses from more than 51% of total production land holding.	
Transport allowance	APs that relocate to new land to rebuild house and/or shop	Assistance in cash or in-kind to move structures, salvaged materials, new building materials and personal possessions to new site.	The provincial resettlement committee will define the actual cost for transport assistance in consultation with the APs
Assistance for vulnerable APs	(i) Female headed households with dependents; (ii) Disabled household heads; (iii) Poor households; (iv) Children and the elderly households who are landless and with no other means of support; (v) Landless households; (vi) Ethnic minorities that fall under ADB's definition of Indigenous Peoples	A supplementary subsistence allowance equal to 16 kg of rice per household member for all family members for one (1) month.	If an AP who was in to the category of vulnerable household has become well-off during DMS, no assistance as for vulnerable AP is necessary.
I. Income Restoration	(i) APs who lost from more than 10% of total productive land holding; (ii) relocating households with livelihoods/income source affected; and (iii) vulnerable households	APs are entitled to participate income restoration program that will be prepared during RP preparation	During RP preparation, a program with various interrelated activities will be prepared in consultations with APs, communities and local authorities to support severely affected and vulnerable households in the difficult task of

Type of Impact/Loss	Eligibility/ application	Entitlement policy	Implementation Issues
			enhancing or restoring their standards of living to at least pre-project levels through measures that involve enhancing productivity with the remaining human and material assets of the AHs, and/or engaging in new or supplementary livelihood activities

34. Voluntary Donation Voluntary donation is allowed only if an infrastructure component cannot be technically implemented in another location than where it is planned. If an infrastructure component 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, the provisions for involuntary resettlement set forth in this Resettlement Framework will apply and followed accordingly.

35. Voluntary donation of land and other private assets usually involves the contribution by individuals for a project that has community benefits. The basic idea is that the project benefits will realistically offset the value of the donations. As such, the project will only allow small donations from those who will directly benefit from the project. Voluntary donations will not be allowed if it will (i) cause significant or long-term negative impacts on people's livelihoods, (ii) severely affect their living standards, or (iii) will be physically relocated. The criteria to be followed to determine allowable donations are:

- a. the total size of productive land owned by the affected HH is more than 300 meter squares; and
- b. the impact is not more than 5% of the total productive assets owned by the concerned HHs.

36. Voluntary donations are only valid if they are an act of informed consent and the affected people are not forced to donate land or other assets with coercion or under duress, or misled to believe that they are obliged to do so. The affected persons are 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. The affected people are encouraged to use the grievance redress mechanism if they have questions or inquiries, either in writing or verbally. Adequate measures also need to be in place to protect complainants. If affected people are unwilling to donate assets without compensation, or if impacts go beyond the threshold for voluntary donations occur, compensation should be paid accordingly.

37. Voluntary donation requires verification that the donation is in fact voluntary and did not result from coercion, using verbal and written records and confirmation through an independent third party such as a designated nongovernmental organization or legal authority. There needs to be confirmation from face to face meetings and in writing that the affected people are indeed aware that they are entitled to compensation and knowingly agree to donate land or other assets without compensation. The minutes of the meeting, which include confirmation that all conditions for voluntary donations above are met. The voluntary donation form should be attached in the local language. Once the informed consent of the affected people has been confirmed in writing, both husband and wife of the affected HH sign the form in the presence of the third party, and the affected HH keeps one original signed form. Implementation of infrastructure components with voluntary donations starts only once the assigned authority (village committee, resettlement committee, etc.) has approved the signed voluntary donation forms.

### **III. RESETTLEMENT PLANNING AND IMPLEMENTATION**

#### **Screening of Impacts**

38. In the planning stage of the Northern Smallholder Livestock Commercialization Project, the types of infrastructure components have been identified; however, the quantity and locations have



yet to be determined. Once the quantities and locations of the infrastructure components are decided in the implementation stage, screening for involuntary resettlement impacts shall be conducted. All infrastructure components will be screened using the Screening Form attached in *Appendix 1*. The screening will be conducted by the PIUs/DIUs based on (i) site visits to the areas where the supported schemes will be constructed in, (ii) meetings with local authorities and concerned agencies to confirm the locations and land areas required for the supported schemes; and (iii) consultations with people living or using land in the areas. The Project will not support activities screened to have significant involuntary resettlement impacts (Category A). If screening reveals that involuntary resettlement impacts that are not significant (Category B) will ensue for an infrastructure component in a given province, then a Resettlement Plan for that province will be prepared in accordance with this Resettlement Framework. If screening reveals that affected persons involve ethnic groups, the Resettlement Plan will incorporate Indigenous Peoples safeguards as outlined in the SPS and this project's Ethnic Groups Development Framework.

39. If screening shows that an infrastructure component in a given province has no involuntary resettlement impacts, a Resettlement Plan is not required the succeeding steps described below need not be done.

### **Census of Affected Persons**

40. The census will cover all affected persons. It is conducted to determine the socio-economic profile of affected persons, and to identify vulnerable households. It serves as a baseline data on households that can be used for impact evaluation later on to determine if mitigation measures were sufficient to improve or at least restore affected persons' living standards to pre-project levels. The census can be combined with inventory of losses.

### **Inventory of Losses (IOL)**

41. The IOL will determine the types and magnitudes of losses of all affected persons. To be carried out with the participation of local authorities, the IOL will provide the following information:

- (i) Total and affected areas of land, by type of land assets;
- (ii) Total and affected areas of structures, by type of structure
- (iii) Legal status of affected land and structure assets, and duration of tenure and ownership;
- (iv) Quantity and types of affected crops and trees;
- (v) Quantity of other losses, e.g., business or other income, jobs or other productive assets; estimated daily net income from informal shops;
- (vi) Quantity/area of affected common property, community or public assets, by type;
- (vii) Identify whether affected land or source of income is primary source of income.

### **Determination of Replacement Costs**

42. Determination of replacement costs for the acquired assets will be carried out through a survey in the affected areas by the Provincial Resettlement Committee that consists of representatives of various relevant provincial agencies. This process, further described below, constitutes the replacement cost survey (RCS).

43. For replacement costs of lands, the Provincial Resettlement Committee will direct interview the potentially affected households and non-affected households living in the area on their opinions about an acceptable price of land within and around the project area; interview households that have recently bought or sold land to collect the evidence of the rate transacted of lands; and, interview households who are looking for properties to sell or buy within and around the project area. The committee will also find out from local residents, to be confirmed via official records of the local, the price of various types of land that have been the subject of transactions in the past six (6) months to one (1) year in the community or nearby areas and the price of various types of land local residents are willing to buy or sell.

44. For structures, the Provincial Resettlement Committee will interview owners of structures to determine the construction materials usually used in the locality for each type of building following existing government categories or standards; sources of construction materials used and the unit costs of said materials, including the costs of transporting the same to the locality; and the cost of labor for constructing each type of building found in the locality. Interviews will also be conducted with building contractors to determine the cost of construction materials for each type of structures in the Project area following existing government categories; the cost of transporting construction materials to the Project area (community); the cost of labor for constructing each type of building; and the unit cost per meter square of each type of building in the Project area following existing government categories.

45. For the crops and trees, interviews will be conducted with owners, market vendors and seedling suppliers to determine the current buying and selling of crops in the area.

46. The government rates will be adjusted, as necessary, based on the findings of a RCS. Compensation rates will be continuously updated when updating the RP to ensure that APs receive compensation at replacement cost at the time of compensation payment.

### **Preparation and Submission of Resettlement Plan**

47. NPMO will integrate the results of the census, IOL, RCS, and consultations, into a Resettlement Plan. The outline of a resettlement plan is provided in the Appendix 2. As involuntary resettlement impacts of the project are not significant, only one RP will be prepared for a given province. Hence, only a maximum of four Resettlement Plans need to be produced for the project. The figure will be less if the infrastructure components in a given province do not have involuntary resettlement impacts. NPMO will submit the Resettlement Plans to ADB for approval and disclosure to the ADB website.

### **Updating of Resettlement Plan**

48. The Resettlement Plan will be updated during detailed engineering design phase. A detailed measurement survey will be done (DMS) covering all affected persons to update information on (i) the type, extent and severity of losses, (ii) entitlements to compensation, resettlement and rehabilitation, (iii) compensation rates and costs based on updated replacement costs; (iv) rehabilitation strategies for severely affected and vulnerable APs and (v) resettlement costs. NPMO will update the Resettlement Plan and submit it to ADB for approval and disclosure to the ADB website.

#### IV. CONSULTATION, PARTICIPATION AND DISCLOSURE

49. The PIU/DIU, with assistance from relevant provincial and district resettlement committees, will conduct a series of public meetings to provide information regarding project activities and its involuntary resettlement impacts as well as proposed mitigation measures and entitlement criteria.

50. The scope of information to be provided to APs includes: (i) description of Project, project's components, outputs and activities; (ii) the scope of land impacts by the project (IOL/DMS results) (iii) policy principles, entitlements and special provisions, including the result of RCS; (iv) grievance redress mechanism, (v) implementation schedule (timing for payments, displacement and land hand-over); and (vi) institutional responsibilities.

51. A public information meeting prior to the data collection for the AP census, IOL, and DMS, to provide APs and other stakeholders with information regarding the scope and objectives of the support schemes, potentially affected land and resettlement arrangements. At this meeting, participants will be encouraged to ask questions and to raise the issues on the support schemes and land acquisition and resettlement requirements, particularly the entitlement and the grievance redress mechanism.

52. Consultations with severely affected and/or vulnerable APs that have been identified during the AP census, IOL, and DMS will be organized to discuss their needs and preferences for rehabilitation assistance. These consultations will generally occur in small groups, for example, severely affected and/or vulnerable APs in each village. Separate consultations will be organized with women and/or ethnic minorities, as necessary to ensure that they are provided adequate and appropriate opportunities to participate in discussions.

53. A public information meeting prior to the completion of the draft RP will be held to discuss the design of the support schemes, the results of the IOL and DMS, proposed compensation rates and entitlements, handing-over of entitlements, grievance redress mechanism; and, to solicit comments, suggestions and concerns from APs and other stakeholders about the scope and provisions of the RP.

54. The PIU/DIU, provincial and district resettlement committees and village authority will ensure that APs are notified about resettlement activities. All public meetings and consultations will be notified at least two weeks in advance, similar to the IOL, DMS and other fieldwork. The form of notification will include, as appropriate, notices posted in villages; letters, notices or small brochures delivered individually to APs; through village leaders and, radio announcements. IOL, DMS and RCS shall be with participation of the APs. The NPMO and provincial and district resettlement committee are responsible for the disclosure of the RP to the APs prior to submission to ADB.

55. A Project Information Brochure (PIB) will be prepared to distribute to APs and stakeholders. The PIB will cover five topics: (i) description of Project, project's components, outputs and activities; (ii) the scope of land impacts by the project; (iii) policy principles and entitlements and special provisions for the APs; (iv) grievance redress mechanism, and (v) implementation schedule.

56. Information disclosure and the consultation process will be in a language understandable to APs, and will continue on until implementation of infrastructure components.

57. Consultations will be well-documented (minutes of consultative meetings with signatures of meeting participants, pictures) and will be reflected in the RP/updated RP. They will be held in places free of coercion, on schedules that will allow participation of women, the poor, and other vulnerable groups.

## **V. COMPENSATION, RELOCATION AND INCOME RESTORATION**

58. Land acquisition, compensation and relocation of APs cannot commence until ADB has reviewed and approved the updated RP.

59. Following ADB approval of the final RP/update RP, the PIU/DIU will coordinate with provincial and district resettlement committees to start of land acquisition, compensation and resettlement activities. Payment notices should be sent to the APs one weeks in advance. Budget for compensation and cash assistance has to be allocated and made available in full before payment of compensation and cash assistance will commence.

60. The locations for paying compensation and cash assistance should be convenient to the APs in a given locality, preferably in hamlets/villages to reduce travel costs for the APs.

61. The amount of compensation and cash assistance has to be paid in full, not in installments.

62. Both wife and husband, if married, should receive the compensation and cash assistance together.

63. Payment vouchers should clearly indicate the nature or purpose of each type of compensation and cash assistance provided, including the method used in computing the same.

64. For relocating households, in case they wish to receive replacement land in lieu of their recovered land, the provincial and district resettlement committees will identify the area that can be allocated to the APs for residential use. The location of the allocated land should be agreed with the APs and should be consistent with the local land use plan.

65. The provincial and district resettlement committees will make representations with local power and water companies to provide water and electricity connections to the relocating APs if requested by the households and if the services are available at the area.

66. Construction permit to rebuild houses will be given to the APs at no cost. The provincial and district resettlement committees will make representations with relevant agencies to ensure that land use rights for the allocated area are obtained at no cost to the APs.

67. Income Restoration program/activities will be implemented to ensure that the standard of living of APs, particularly the vulnerable and severely affected, will be restored to at least pre-project conditions.

68. During implementation of resettlement plan, the PIUs will submit semi-annual progress reports to NPMO. The NPMO will incorporate these progress reports into the overall progress report to submitted to ADB.

69. All land acquisition, compensation and resettlement activities will be coordinated with the civil works schedule. ADB will not approve contracts for civil works until (i) compensation and relocation of APs has been satisfactorily completed; (ii) the income restoration is in place; and, (iii) the site is free of all encumbrances.

## **VI. GRIEVANCE REDRESS MECHANISM**

70. In order to ensure that all APs' grievances and complaints on any aspect of land acquisition, compensation and resettlement are addressed in a timely and satisfactory manner, and that all

possible avenues are available to APs to air their grievances, a well defined and responsive grievance redress mechanism needs to be established. This is also in conformity to the provision of Article 13 of Decree 192/PM of the Government. All APs can send any questions to implementation agencies about their rights in relation with entitlement of compensation, compensation policy, rates, land acquisition, resettlement, allowance and income restoration. Normally, complaints will pass through stages before they are elevated to a court of law. However, affected persons can access the formal courts anytime if they so wish. The Executing Agency (EA) will shoulder all administrative and legal fees that might be incurred in the resolution of grievances and complaints. APs are not ordered to pay any fee during the grievance and complaints at any level of trial and court.

71. Stage 1 (at village level): In each village, there is an existing village arbitration unit. An aggrieved APs may bring his/her complaint on any aspect of compensation, relocation or unaddressed losses to the village arbitration unit or other designated village grievance officers. The unit will organize a meeting with the complainants to resolve the issue using its traditional methods of conciliation and negotiation; the meeting will be held in a public place and will be open to other APs and villagers to ensure transparency.

72. Stage 2 (at district level): If within 5 days of lodging the complaint, no understanding or amicable solution can be reached or no response is received from the village arbitration unit, the AP can bring the complaint to the District Resettlement Committee. The District Resettlement Committee will meet with the AP to discuss the complaint, and provide a decision within 10 days of receiving the appeal.

73. Stage 3 (at provincial level): If the AP is not satisfied with the decision of the District Resettlement Committee or in the absence of any response, the AP can appeal to the Provincial Resettlement Committee. The Provincial Resettlement Committee will provide a decision on the appeal within 10 days.

74. Stage 4 (at ministerial level): If the AP is still not satisfied with the decision of the Provincial Resettlement Committee, or in the absence of any response within the stipulated time, the AP can submit his/her grievance to NPMO. The NPMO acting on behalf of the MAF will render within 10 days of receiving the appeal.

75. Stage 5 (administrative court): The AP may submit his/her case to the Court of Law. The complaint will be lodged with the Court of Law; the decision of the Court will be final.

76. The above grievance redress mechanism will be made known and discussed with the APs to ensure that the APs understand the process. At each stage of the grievance redress process, careful written records will be maintained by the PIUs/DIUs.

## **VII. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION**

### **A. National Project MANAGEMENT Office (NPMO)**

77. MAF will establish the NPMO that will be responsible for project delivery, including reporting. For land acquisition and resettlement, the NPMO has following responsibilities:

- (i) Guide, support and monitor the work of the PIUs/DIUs to screen land acquisition and resettlement impacts for supported schemes.
- (ii) Prepare and update the RP in close coordination with PIUs/DIUs and submit them to ADB for review and approval.

- (iii) Oversee PIUs/DIUs, provincial and district resettlement committees implementation of RP to ensure (a) coordination with construction activities and (b) that all compensation is paid and, as required, APs relocated prior to the award of contracts for civil works and/or the clearance of land required by the subproject.
- (iv) Establish and disseminate standard procedures to the PIUs for: (a) carrying out census, IOL, DMS; (b) establishment and management of AP databases; (c) consultations and information dissemination targeting APs, local authorities and other stakeholders; (d) prompt implementation of corrective actions and resolutions of grievances; (e) ongoing internal monitoring the implementation of land acquisition, compensation and resettlement.
- (v) Coordinate with other ministries, government agencies, civil society organizations, to ensure efficient, effective delivery of the resettlement program and mitigation and support measures.
- (vi) Submit to ADB the overall project progress report containing the semi-annual progress report on land acquisition, compensation and resettlement prepared by PIUs/DIUs.

## **B. Provincial and District Coordinating Units (PIUs/DIUs)**

78. Each Provincial Agriculture and Forestry Office (PAFO) will establish a Provincial Implementation Unit (PIU) at the province level and a District Implementation Unit (DIU) at the district level. For land acquisition and resettlement, the PIUs/DIUs have following responsibilities:

- (i) Announce the Project and its locations to the public, and ensure that the cut-of-date for eligibility will be strictly followed.
- (ii) Screen the land acquisition and resettlement impacts of all support farm level production infrastructures and livestock processing facilities in the province.
- (iii) Coordinate with provincial and district resettlement committees to carry out fieldwork required to prepare the RP, including the AP census, IOL, DMS, and RCS.
- (iv) Coordinate with provincial and district resettlement committees to organize and carry out the consultations and information dissemination activities necessary to inform APs about the project and resettlement activities and to ensure that APs have adequate opportunities to express opinions, suggestions and concerns about the support schemes, disclose of the RP/updated RP to APs and affected communities.
- (v) Collaborate with the provincial and district resettlement committees and village arbitration units to help address the grievances. Document the grievance redress and resolutions reached at different level.
- (vi) Coordinate and work with provincial and district resettlement committees to ensure compensation unit rates have been established, in full consultation and agreement with APs, at full replacement cost at current market value for all categories of lost assets. Guide, supervise and monitor the activities of the district resettlement committees on making compensation payment, implement rehabilitation and other assistance strategies and, in general, assist APs to restore living condition, standards and incomes.
- (vii) Conduct internal monitoring of the implementation of the RP as per agreed indicators; and, prepare and submit semi-annual reports to NPMO on progress and outstanding issues.

## **C. Provincial Resettlement Committee**

79. The Provincial Authority will set up the Provincial Resettlement Committee. The Provincial Resettlement Committee will be chaired by the provincial Vice Governor and will have representatives of the District Governor; and representatives of provincial departments such as finance, natural resources and environment, agricultural and forestry, etc. The Provincial Resettlement Committee will have the following responsibilities:

- (i) Certify the official list of APs and their entitlements, based on the results of the IOL and DMS.

- (ii) Establish compensation rates for affected assets based on a replacement cost survey.
- (iii) Endorse the draft and updated versions of the RPs as prepared by the NPMO.
- (iv) Pay compensation and assistances to the APs. Allocate the replacement land for the APs.
- (v) Hear and resolve AP grievances and complaints in instances where APs appeal the decisions taken at the district level. One focal person will be assigned to manage and record all grievances and resolutions.

#### **D. District Resettlement Committee**

80. The District Authority will establish the District Resettlement Committee. The District Resettlement Committee will be headed by the District Governor and will include representatives from district offices. The primary roles and responsibilities of the District Resettlement Committee include the following.

- (i) Assist the NPMO to screen and verify the level of land acquisition and resettlement impacts.
- (ii) Collaborate with the NPMO and participate in the fieldwork to collect data for the census, IOL, DMS, and RCS.
- (iii) Inform APs and other stakeholders of the cut-off date for the Project; disseminate official lists of APs following completion of the AP census and IOL/DMS.
- (iv) In collaboration with village authorities, organize and facilitate public meetings and consultations with APs and other stakeholders to inform APs about different activities related to land acquisition, compensation and resettlement.
- (v) Collaborate with NPMO to consult vulnerable groups and/or APs that require rehabilitation and/or relocation assistance, to determine their needs, priorities and preferred strategies; and, as required, involve mass organizations and other local organizations in the provision of assistance.
- (vi) Act as grievance officers, and hear and resolve grievances and complaints of APs and other stakeholders that are appealed from the village level. One focal person will be assigned within the District Resettlement Committee to manage and record all grievances and resolutions.

#### **E. Village Authorities**

81. The village authorities will assist the District Resettlement Committees, PIUs/DIUs and NPMO to prepare, update, and implement the RP by participating in and supporting field work to collect data on APs and affected assets; organizing public meetings and consultations in the village; payment of compensation; and, design and implementation of any rehabilitation measures that are required. The village authorities will have the following responsibilities:

- (i) Facilitate public information meetings and consultations with APs and other stakeholders and help to ensure village and AP awareness of the policies and procedures for compensation, relocation assistance, income restoration and other rehabilitation strategies.
- (ii) Assist Provincial and District Resettlement Committees and NPMO in carrying out the IOL/DMS, SES and RCS in the village and confirm the results.
- (iii) Assist Provincial and District Resettlement Committees in the identification of productive and residential land to be allocated as replacement land to APs.
- (iv) Collaborate with the DRC and NPMO to assess the needs, opinions and concerns of the severely affected and vulnerable APs, and design and implement appropriate relocation assistance, income restoration and other rehabilitation strategies.
- (v) Act as a grievance redress level (village arbitration unit) to and hear, resolve, and record grievances and complaints of APs and other stakeholders.

## **F. Institutional Capacity for Resettlement Planning, Implementation and Monitoring**

82. Under the PPTA stage, assessment of institutional capacity for resettlement planning, implementation and monitoring has been carried out. Generally, the capacity is very limited since only two of the four provinces had some experience with involuntary resettlement under ADB. These are Luang Prabang for the construction of Road No. 13 and Luang Namtha for the Northern Rural Infrastructure Development Sector Project. The Northern Region Sustainable Livelihoods through Livestock Development Project, on which this current project builds on did not involve any involuntary resettlement impacts.

83. Capacity building on resettlement planning and implementation for the EA and IAs are required. Under the implementation stage, the Project Implementation Consultants, once mobilized, will design and implement the necessary capacity building for the EA, IAs and other concerned agencies in resettlement planning and implementation.

## **VIII. BUDGET AND FINANCING**

84. All compensation for land and other affected assets will be paid at replacement cost based on current market prices. Compensation rates will be established in each project province, at replacement cost based on market prices and, as required, updated during the RP updating.

85. Resettlement budgets, including (i) the amounts for compensation, assistances and resettlement and (ii) administrative costs (staff costs, surveys, monitoring, reporting) will be from the project counterpart funds. The Ministry of Finance will be responsible for the disbursement of funds to each of the relevant Project Provincial Governor's Offices, and then the funds will be used by Provincial Resettlement Committees. The Provincial Resettlement Committees will disburse to APs in accordance with the entitlements in the approved RP/updated RP and to the PIU, District Resettlement Committees and Village Authorities for the administrative costs. The Government will ensure timely provision of counterpart funds for resettlement to meet any unforeseen obligations in excess of the resettlement budget estimates in order to satisfy resettlement requirements and objectives.

86. Based on (i) the results of the IOL, DMS and RCS; and (ii) the entitlements set-out in the entitlement matrix of this Resettlement Framework, the budget for compensation, assistance and relocation will be calculated.

87. The budget for compensation, assistance and relocation of APs, the administration costs (travel costs for the staff, staff costs for land acquisition and resettlement, management costs and others), and a 10% contingency constitute the total resettlement budget.

88. The resettlement budget will be specified in the RP and will be updated in the updated RP following the results of the RCS and DED, as well as the final entitlements that consulted with the APs.

## **IX. MONITORING AND REPORTING**

89. NPMO with the assistance of Project Implementation Consultants, will set up monitoring indicators, databases, and systems to be followed by the project in monitoring Resettlement Plan implementation. PIUs/DIUs will conduct the internal monitoring of RP implementation to identify the activities achieved and the cause(s) of problems encountered so that arrangements in RP implementation can be adjusted. Related information will be collected monthly from the field to assess the progress of RP implementation and will be consolidated semi-annually.



90. An initial key indicator will be, as per assurances to the ADB, the payment of compensation, assistance, and relocation to new sites, and rehabilitation assistance being in place before award of civil contracts and these will be monitored under each of the civil contracts. The other main indicators that will be monitored regularly are:

- (i) Payment of compensation and assistances to all APs in various categories, according to the compensation and assistance policy (entitlements) described in updated RP. Funds disbursed to APs in a timely manner.
- (ii) Delivery of technical assistance, relocation, payment of subsistence and moving allowances.
- (iii) Delivery of income restoration and social support entitlements.
- (iv) Public information dissemination and consultation procedures.
- (v) Adherence to grievance procedures and outstanding issues requiring management's attention.
- (vi) Priority of APs regarding the options offered.
- (vii) Coordination and completion of resettlement activities and award of civil works contract

91. NPMO will incorporate the internal monitoring report submitted by the PIUs/DIUs on the status of RP implementation in the overall project progress report to be submitted to ADB.

92. At the end of the project, impact evaluation will be conducted to determine whether affected persons' living standards were improved or at least restored to pre-project levels.

**APPENDIX 1: INVOLUNTARY RESETTLEMENT IMPACT SCREENING CHECKLIST**

<b>Probable Involuntary Resettlement Effects</b>	<b>Yes</b>	<b>No</b>	<b>Not Known</b>	<b>Remarks</b>
<b>Involuntary Acquisition of Land</b>				
1. Will there be land acquisition?				•
2. Is the site for land acquisition known?				•
3. Is the ownership status and current usage of land to be acquired known?				•
4. Will easement be utilized within an existing Right of Way (ROW)?				•
5. Will there be loss of shelter and residential land due to land acquisition?				•
6. Will there be loss of agricultural and other productive assets due to land acquisition?				•
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				•
8. Will there be loss of businesses or enterprises due to land acquisition?				•
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				•
<b>Involuntary restrictions on land use or on access to legally designated parks and protected areas</b>				
10. Will people lose access to natural resources, communal facilities and services?				•
11. If land use is changed, will it have an adverse impact on social and economic activities?				•
12. Will access to land and resources owned communally or by the state be restricted?				•
<b>Information on Displaced Persons:</b>				
<b>Any estimate of the likely number of persons that will be displaced by the Project?</b>				
<input type="checkbox"/> No <input type="checkbox"/> Yes				
If yes, approximately how many? _____				
<b>Are any of them poor, female-heads of households, or vulnerable to poverty risks?</b>				
<input type="checkbox"/> No <input type="checkbox"/> Yes				
<b>Are any displaced persons from indigenous or ethnic minority groups?</b>				
<input type="checkbox"/> No <input type="checkbox"/> Yes				

<b>Overall Assessment of Impacts</b>	<b>Requirements</b>
Significant (200 or more persons to be relocated or losing 10% or more of their productive assets)	Ineligible under the project
Not Significant (less than 200 persons to be relocated or losing at most 10% of their productive assets)	Prepare Resettlement Plan in accordance with approved Resettlement Framework
No Impact	None

## **APPENDIX 2: OUTLINE OF A RESETTLEMENT PLAN**

### **A. Executive Summary**

This section provides a concise statement of subproject scope, key survey findings, entitlements and recommended actions.

### **B. Project Description**

This section provides a general description of the project, discusses project components that result in land acquisition, involuntary resettlement, or both and identify the project area. It also describes the alternatives considered to avoid or minimize resettlement. Include a table with quantified data and provide a rationale for the final decision.

### **C. Scope of Land Acquisition and Resettlement**

This section:

- (i) Discusses the project's potential impacts, and includes maps of the areas or zone of impact of project components or activities;
- (ii) Describes the scope of land acquisition (provide maps) and explains why it is necessary for main investment project;
- (iii) Summarizes the key effects in terms of assets acquired and displaced persons; and
- (iv) Provides details of common property resources that will be acquired.

### **D. Socioeconomic Information and Profile**

This section outlines the results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, and other social groupings, including:

- (i) Define, identify, and enumerate the people and communities to be affected;
- (ii) Describe the likely impacts of land and asset acquisition on the people and communities affected taking social, cultural, and economic parameters into account;
- (iii) Discuss the project's impacts on the poor, indigenous and/or ethnic minorities, and other vulnerable groups; and
- (iv) Identify gender and resettlement impacts, and the socioeconomic situation, impacts, needs, and priorities of women.

### **E. Information Disclosure, Consultation and Participation**

This section:

- (i) Identifies project stakeholders, especially primary stakeholders;
- (ii) Describes the consultation and participation mechanisms to be used during the different stages of the project cycle;
- (iii) Describes the activities undertaken to disseminate project and resettlement information during project design and preparation for engaging stakeholders;
- (iv) Summarizes the results of consultations with affected persons (including host communities), and discusses how concerns raised and recommendations made were addressed in the resettlement plan;
- (v) Confirms disclosure of the draft resettlement plan to affected persons and includes arrangements to disclose any subsequent plans; and

- (vi) Describes the planned information disclosure measures (including the type of information to be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

#### F. Grievance Redress Mechanisms

This section describes mechanism to receive and facilitate the resolution of affected persons' concerns and grievances. It explains how the procedures are accessible to affected persons and gender sensitive.

#### G. Legal Framework

This section:

- (i) Describes national and local laws and regulations that apply to the project and identify gaps between local laws and ADB's policy requirements; and discuss how these gaps will be addressed;
- (ii) Describes the legal and policy commitments from the executing agency for all types of displaced persons;
- (iii) Outlines the principles and methodologies used for determining valuations and compensation rates at replacement cost for assets, incomes and livelihoods; and set out the compensation and assistance eligibility criteria and how and when compensation and assistance will be provided.
- (iv) Describes the land acquisition process and prepare a schedule for meeting key procedural requirements.

#### H. Entitlements, Assistance and Benefits

This section:

- (i) Defines displaced persons' entitlements and eligibility, and describes all resettlement assistance measures (includes an entitlement matrix);
- (ii) Specifies all assistance to vulnerable groups, including women, and other special groups; and
- (iii) Outlines opportunities for affected persons to derive appropriate development benefits from the project.

#### I. Relocation of Housing and Settlements

This section:

- (i) Describes options for relocating housing and other structures, including replacement housing, replacement cash compensation, and/or self-selection (ensure that gender concerns and support to vulnerable groups are identified);
- (ii) Describes alternative relocation sites considered; community consultations conducted; and justification for selected sites, including details about location, environmental assessment of sites, and development needs;
- (iii) Provides timetables for site preparation and transfer;
- (iv) Describes the legal arrangements to regularize tenure and transfer titles to resettled persons;
- (v) Outlines measures to assist displaced persons with their transfer and establishment at new sites;
- (vi) Describes plans to provide civic infrastructure; and
- (vii) Explains how integration with host population will be carried out.

#### J. Income Restoration and Rehabilitation

This section:

- (i) Identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;
- (ii) Describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include induced benefit sharing, revenues sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) Outline measures to provide social safety net through social insurance and/or project special funds;
- (iv) Describes special measures to support vulnerable groups; gender consideration and training program

#### K. Resettlement Budget and Financing Plan

This section:

- (i) Provides an itemized budget for all resettlement activities, including for the resettlement unit, staff training, monitoring and evaluation, and preparation of resettlement plans during loan implementation;
- (ii) Describes the flow of funds (the annual resettlement budget should show the budget scheduled expenditure for key items);
- (iii) Includes a justification for all assumptions made in calculating compensation rates and other cost estimates (taking into account both physical and cost contingencies), plus replacement costs;
- (iv) Includes information about the source of funding for the resettlement plan budget.

#### L. Institutional Arrangements

This section:

- (i) Describes institutional arrangement responsibilities and mechanisms for carrying out the measures of the resettlement plan;
- (ii) Includes institutional capacity building program, including technical assistance, if required;
- (iii) Describes role of NGOs, if involved, and organizations of affected persons in resettlement planning and management; and
- (iv) Describes how women's groups will be involved in resettlement planning and management.

#### M. Implementation Schedule

This section includes a detailed, time bound, implementation schedule for all key resettlement and rehabilitation activities. The implementation schedule should cover all aspects of resettlement activities synchronized with the project schedule of civil works construction, and provide land acquisition process and timeline.

#### N. Monitoring and Reporting

This section describes the mechanisms and benchmarks appropriate to the project for monitoring and evaluating the implementation of the resettlement plan, It specifies arrangements for participation of affected persons in the monitoring process. This section will also describe reporting procedures.

