

Resettlement Due Diligence Report

Project Number: 49387
January 2018

Lao People's Democratic Republic: Second Greater
Mekong Subregion Tourism Infrastructure for
Inclusive Growth Project

Champasak Province

Prepared by the Ministry of Information, Culture and Tourism, for the Lao People's
Democratic Republic and the Asian Development Bank.

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CURRENCY EQUIVALENTS

(as of 31 December 2017)

Currency unit	–	kip (KN)
KN1.00	=	\$ 00012
\$1.00	=	KN 8,320

ABBREVIATIONS

ADB	Asian Development Bank
ASEAN	Association of Southeast Asian Nations
CTG	Community Tourism Group
DICT	Department of Information, Culture and Tourism
DPWT	Department of Public Works and Transport
GMS	Greater Mekong Subregion
KN	Lao Kip
LAR	Land Acquisition and Resettlement
Lao PDR	Lao Peoples Democratic Republic
MICT	Ministry of Information, Culture and Tourism
OICT	Office of Information, Culture and Tourism
OWPT	Office of Public Works and Transport
PAM	Project Administration Manual
PCU	Project Coordination Unit
PIU	Project Implementation Unit
PPTA	Project Preparatory Technical Assistance
SPS	Safeguard Policy Statement

1. Project Overview

1. **Objectives.** The proposed project will improve urban-rural transport infrastructure, urban environmental services, strengthen capacity to implement regional tourism standards, and strengthen tourism destination management in the Lao People's Democratic Republic (Lao PDR). It will help transform secondary towns in the Greater Mekong Subregion (GMS) economic corridors into green, inclusive and competitive international tourism nodes to boost trade in services and deepen market linkages between members of the GMS and Association of Southeast Asian Nations (ASEAN).

2. The project will build on the ongoing (2014–2019) Asian Development Bank (ADB) financed GMS Tourism Infrastructure for Inclusive Growth Project (Loan 3165-LAO-SF) which includes Champasak province. Project approval is scheduled for Quarter 3/4 2018. The implementation period will be 2019–2024.

3. **Scope.** The expected impact is sustainable, inclusive, and more balanced tourism development, as envisaged in the *ASEAN Tourism Strategic Plan 2016–2025*. The expected outcome is to increase the tourism competitiveness of secondary towns. The project has three outputs: (i) urban-rural access infrastructure and urban environmental services improved; (ii) capacity to implement ASEAN tourism standards strengthened; and (iii) institutional arrangements for tourism destination management and infrastructure O&M strengthened. Project areas in Lao PDR include Champasak, Luang Prabang and Vientiane provinces. Detailed descriptions of the outputs and subprojects are in the Project Administration Manual (PAM).

4. **Strategies and Policies.** Lao PDR's National Tourism Strategy 2012-2020 priority programs include tourism infrastructure and product development. Champasak Province's Tourism Development and Promotion Strategy 2011-2020 strategic objectives are to develop tourism sustainably, in harmony with natural, cultural and environmental protection and conservation, to enhance services and boost arrivals. The Tourism Development and Management Plan for Siphandone Wetlands 2010-2020 objectives include: (i) manage the land use and infrastructure development in line with tourism and landscape requirements; (ii) support conservation and protection of natural resources and the environment; (iii) and develop clean and hygienic villages and tourist attractions.

5. **Implementation Arrangements.** The Ministry of Information, Culture and Tourism (MICT) is the project executing agency (EA). MICT will establish a Project Coordination Unit (PCU) within its Tourism Development Department to handle overall project coordination and management, including safeguards compliance, and lead ASEAN Tourism Standards implementation. A Project Implementation Unit (PIU) will be embedded within Champasak Province Department of Information, Culture and Tourism (DICT). The PIU will comprise a director, manager, administration staff, safeguards coordinator, and technical teams (infrastructure and tourism). The infrastructure technical teams will manage output 1 subproject and the tourism teams will focus on supporting tourism training, capacity building, and other activities under outputs 2 and 3.

6. **Report Purpose.** This involuntary resettlement due diligence report is prepared to

confirm, at the preliminary design stage, that the two infrastructure subprojects in Khong District, Champasak Province, i.e. (i) Nakasang Access Road and Port Rehabilitation and (ii) Don Det-Don Khone Access Improvements are not expected to cause involuntary resettlement impacts, as defined in ADB's Safeguard Policy Statement (SPS 2009). There are no other subprojects or project activities that could cause involuntary resettlement impacts in Champasak Province. A separate resettlement plan has been prepared to address the expected minor land acquisition and resettlement impacts in Vientiane Province.

2. Project Area

7. Lao PDR covers 236,800 square kilometers with an estimated population of 6.8 million in 2016.¹ Most people live in valleys of the Mekong River and its tributaries. Champasak Province, where the 2 subprojects are located, is in the south bordering Cambodia and Thailand. Champasak covers 15,415 square kilometers and has 10 districts populated by 694,023 people.² The two infrastructure subprojects are in Khong District, specifically Nakasang, Houa Don Det, Khone Tai, and Hang Khone villages.

8. Khong District population is 93,605 (51.6% women). The total number of households is 16,114. Population and basic demographic information for Nakasang, Don Det, Don Khone, and Hang Khone villages is in Table 1. The entire population identify themselves as ethnic Lao, which is Lao PDR's main ethnic group.

Table 1: Demographic Information, Khong District Subprojects

Village	Population	Female	Households	Families
Nakasang	1,641	766 (47%)	245	247
Houa Don Det	1,240	659 (53%)	245	213
Khone Tai	1,345	687 (51%)	214	214
Hang Khone	348	180 (52%)	50	50
Total	4,574	2,122 (46%)	754	724

Source. Khong District Office of Information, Culture and Tourism.

4. The latest poverty data for Lao PDR shows 24.8% of the population is below the Lao poverty threshold of 240,000 Lao kip/person/month for urban areas and 180,000 Lao kip/person/month for rural areas (the average is 192,000 Lao kip/person/month)³. *ADB Basic Statistics 2017* mentions 16.7% of the population lived on less than \$1.90/person/day in 2014.⁴

5. In 2014 the poverty rate in Champasak Province was 19.9% and the poverty rate in Khong District was 26.5%.⁵ Key livelihood activities in the subproject area are farming, fishing, trading, and tourism. The overall literacy rate for people age 15 years and above is 94.8% in Khong District compared to 84.5% overall in the Lao PDR.⁶

¹ United Nations. 2017. *World Population Prospects: The 2017 Revision*. New York.

² Ministry of Planning and Investment. 2013. *Lao Expenditure and Consumption Survey 2012/13*. Vientiane.

³ [World Bank. 2015. Lao PDR 2015 Census-Based Poverty Map – June 2016: http://www.thepovertyline.net/laos/](http://www.thepovertyline.net/laos/) and Poverty Decree 309/PMO, 2013, Lao PDR

⁴ ADB. 2017. *Basic Statistics 2017*. Manila.

⁵ Ministry of Planning and Investment. 2014. *Poverty Profile in Lao PDR*. Vientiane.

⁶ Ministry of Planning and Investment. 2015. *Lao Population and Housing Census 2015*. Vientiane.

3. Subproject Descriptions

6. **Nakasang Access Road and Port Rehabilitation** Nakasang port is about 5 km north of the Lao PDR–Cambodia border and a key entry point to the “4,000 islands” tourism area. In 2016 there were 5,760 boat trips with 138,833 passengers. The Nakasang access road component is shown in Figure 1 and port rehabilitation concept plan is in Figure 2 and.

Figure 1: Nakasang Access Road Improvement

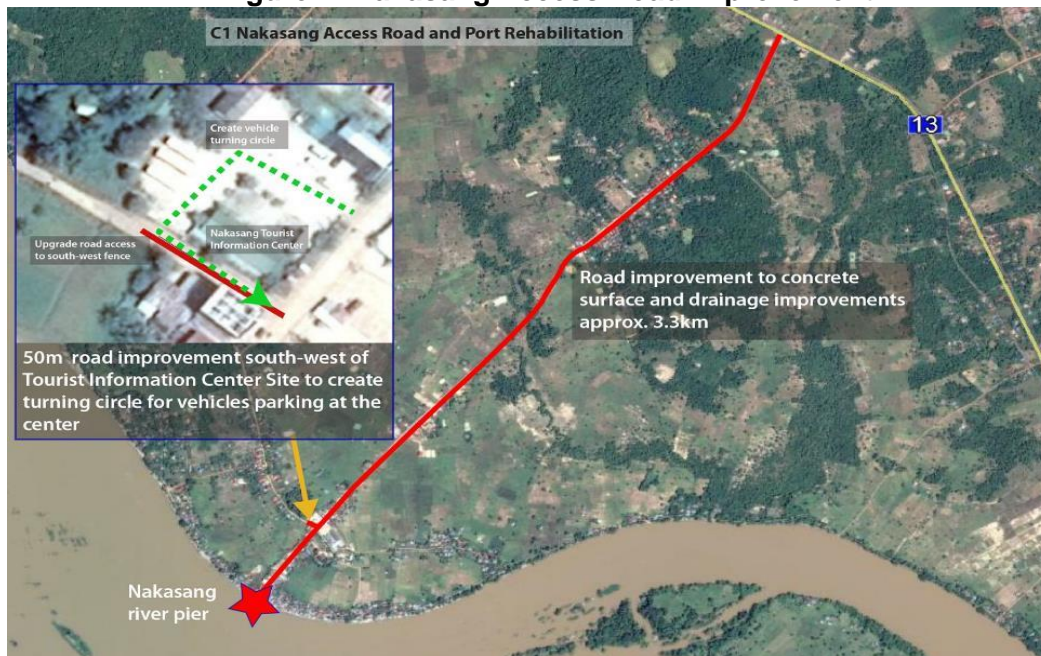
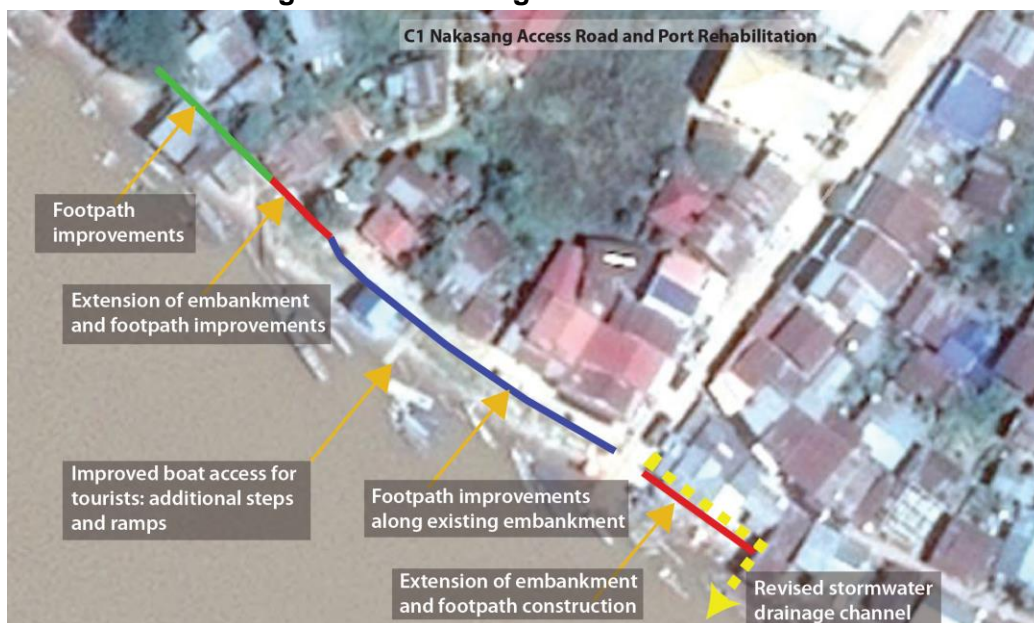


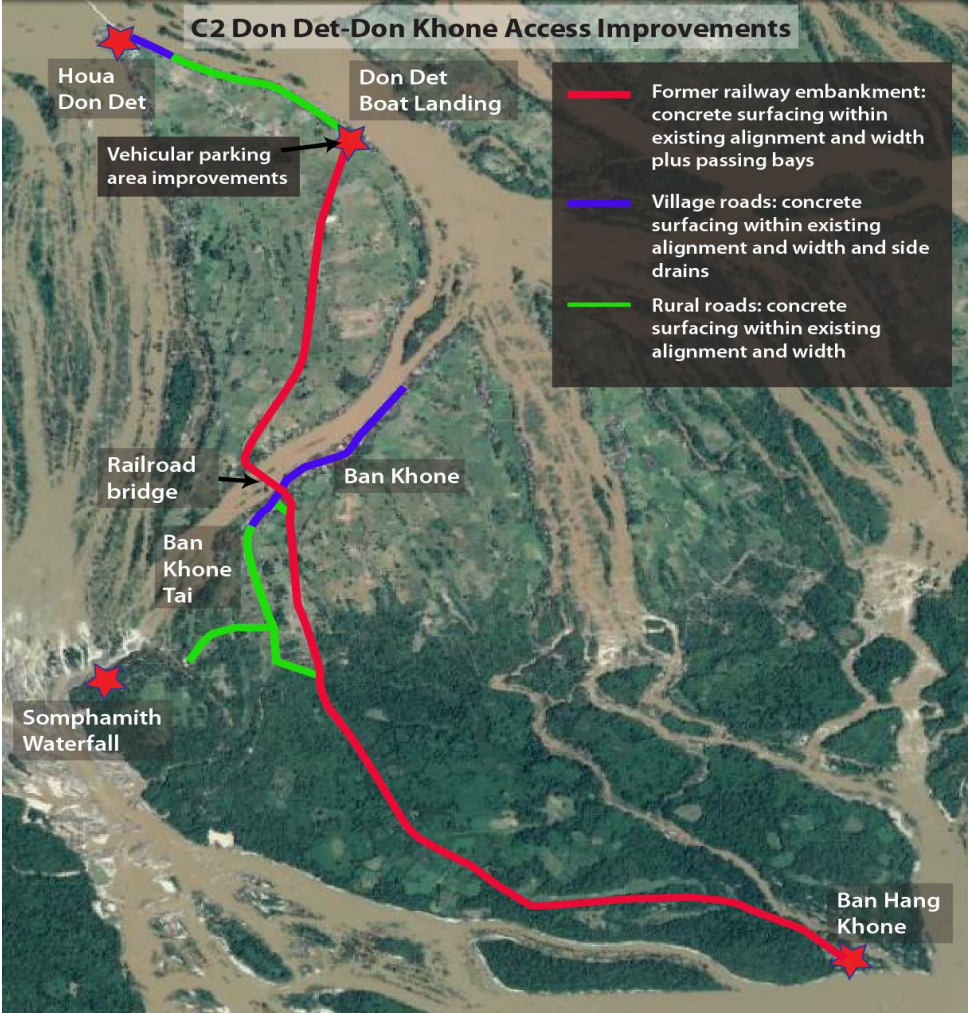
Figure 2 : Nakasang Port Rehabilitation



7. Forecast suggest ferry trips could reach 9,144 in 2026 with 220,401 passengers. The port and access road are linked to National Road 13, but in poor condition and susceptible to flooding. Drainage and sanitation arrangements are also unsustainable. To address these problems the subproject’s preliminary design proposes to: (i) rehabilitate the 3.3 km access road with concrete paving (6 m carriageway) and side drains, including a turning area for buses; (ii) reinforce 45 m of riverbank protection with concrete; (iii) improve footpaths and ramps to floating river pontoons to provide safer passenger access; (iv) divert the main drainage outlet (1,000 mm diameter) 15 m downriver; and (v) reconstruct the 60m riverside path (3m wide). The subproject will directly benefit all Nakasang residents, 228 boat operators, and about 100 market vendors.

8. **Don Det-Don Khone Access Improvements.** In 2016 Det and Khone islands received 203,055 visitors and this could increase to 322,355 in 2026. Both islands’ existing gravel/dirt roads are dusty during the dry season and become muddy, unsanitary tracks in the rainy season. Figure 3 shows the inter-island road network’s existing alignments

Figure 3 : Don Det-Don Khone Access Improvements



9. To address these problems the subproject's preliminary design proposes to (i) pave the main 11 km network of 3 m wide access roads and passing bays with concrete; (ii) pave the 780 m² vehicle parking area that serves the island ferry ports; (iii) improve cycle track/footpaths with gravel; and (iv) install public lighting and safety rails on the old railway bridge linking Don Det and Don Khone islands. The subproject will directly benefit all Don Det and Don Khone residents, including more than 82 locally owned hotels and guesthouses. Figure 4 provides representative photos of each infrastructure component.

Figure 4 : Infrastructure Components

	
<p>Nakasang Access Road</p>	<p>Nakasang Port, Embankment Access Point</p>
	
<p>Nakasang Port Embankment Footpaths</p>	<p>Det-Khone Inter-Island Road</p>
	
<p>Det-Khone Island Residential Lane</p>	<p>Det-Khone Island Cycle Track/Footpath</p>

4. Due Diligence Methodology

10. Meaningful consultations with Nakasang, Don Det and Don Khone residents were done to inform project design and substantiate involuntary resettlement due diligence. This included household surveys (June 2017) with 151 household representatives (35.1% women), equal to about 20% of total households in the subproject area. The initial environmental assessment and consultations were conducted in August 2017. In addition to the household survey and environmental assessment, several field visits and focus group meetings were held with Champasak DICT, Khong District OICT, and DPWT staff and community leaders between March and May 2017 and December 2017. A total of 97 participants attended these consultations, including 19 (20%) women. The survey and consultations were designed and conducted by provincial and district authorities, social development specialists and ADB staff. Table 2 summarizes the number of people consulted and table 3 shows select data from the household survey. A list of key persons met is in Annex 1.

Table 2: Number of People Consulted

	Total Respondents/Participants	Women	% Women
Household Surveys	151	53	35.1%
Focus Groups - Social	20	8	40.0%
Focus Groups - Environment	77	11	14.3%
Total	248	72	29.0%

Source: PPTA Consultants estimates.

Table 3: Household Survey Results

Subproject Area	No. HH Surveyed	Poor HH	Education HH		Annual Income (\$)		
			Secondary school completed	University Degree	<1,000	1,001-9,000	>9,000
Nakasang	40	3	24	5	21	6	2
Don Det-Don Khone	111	4	108	8	59	11	2
Total	151	7 (5%)	132 (87%)	13 (9%)	80 (53%)	17 (11%)	4 (3%)

HH = households.

11. The expected project beneficiaries strongly support the project's proposed infrastructure and capacity building activities. Respondents perceived the main benefits would be ease of travel and improved livelihoods/increased income (Nakasang 27/Don Det/Don Khone 108). 22 Nakasang residents and 90 Don Det-Don Khone residents mentioned that the project will benefit mostly people living in the project area.

12. Residents mentioned the main anticipated adverse impacts are delayed construction and potential difficulty to travel during construction (5 in Nakasang and 47 in Don Det/Don Khone). Residents were also concerned that contractors would not perform well (Don Det/Don Khone 6 respondents).

13. Residents hoped to avoid a long construction process (Nakasang 11/Don Det-Don

Khone 11) and engage good contractors (10 in Nakasang and 23 in Don Det-Don Khone). This is emphasized the need for good detailed engineering designs, transparent procurement, and good construction supervision engineers. 5 Nakasang residents and 35 Don Det-Don Khone residents expressed interest to be involved in the construction work.

14. Residents would like to receive training under the project's capacity building component to learn cooking and other tourism services (Nakasang 6/ Don Det/Don Khone 24). 13 households stated fees to improve solid waste collection should come from increased entry fees to tourist sites and 51 households preferred that the District government funds this. Only 2 persons in Don Det-Don Khone volunteered to pay monthly collection fees (5,000 KN and 50,000 KN).

5. Due Diligence Findings

15. **Nakasang Access Road and Port Rehabilitation** The following civil works components, at preliminary design stage, were reviewed for land acquisition and/or resettlement (LAR) impacts.

- **Components.** Rehabilitate 3.3 km access road with concrete paving (6 m carriageway) and side drains, including a turning area for buses; divert the main drainage outlet (1,000 mm diameter) 15 m downriver.

Expected LAR Impact. None. Road and drain works will be done within the existing well-defined alignment, following existing footprint. Main drain diversion follows public, vacant land. No additional land is required, nor business disruption envisaged, because the works schedule can be sequenced to avoid this.

- **Components.** Reinforce 45 m riverbank with concrete; and improve 60-meter footpaths and ramps to floating river pontoons to provide safer passenger access.

Expected LAR Impact. None. Riverbank improvements will be on public, vacant land. No land acquisition is required, nor business disruption envisaged, because shops on landward side of riverbank can continue operating while footpaths are being resurfaced. There are multiple entry points to multiple floating pontoons. Works sequencing will ensure uninterrupted access.

16. **Don Det-Don Khone Access Improvements.** The following civil works components, at preliminary design stage, were reviewed for LAR impacts.

- **Components.** Pave 11 km inter-island road network (3 m wide), passing bays and 780 m² parking area with concrete. The road follows an old railway alignment and existing village roads, passing through agricultural land, forest, and residential areas. The road cross section is shown in Figure 5.

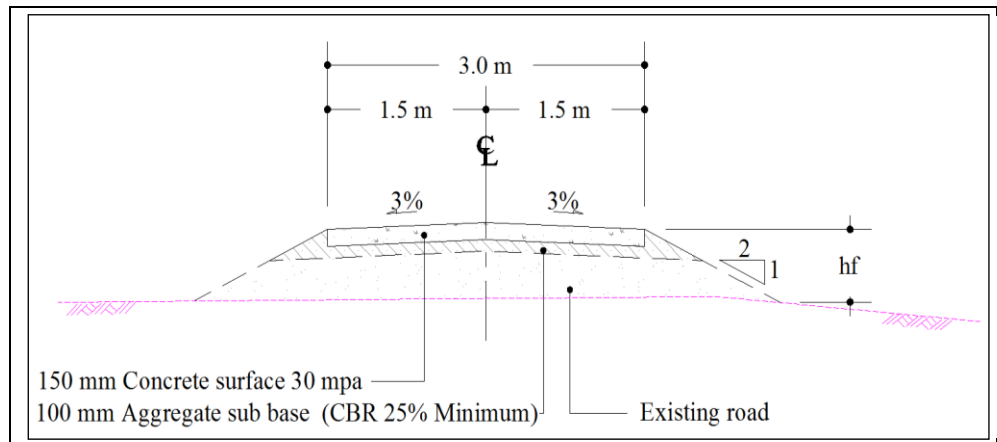
Expected LAR Impact. None. The public road reserve right of way is 10m wide, as confirmed by Khong District OPWT. No land additional land is envisaged because the resurfaced road will be narrower or the same width as the existing earth road.

There is sufficient public land for intermittent passing bays. The public parking area is the old railway terminus. Business disruption is not envisaged because the works schedule can be sequenced to avoid this. If detailed design standardizes the distance between passing bays minor land acquisition may be required, in which case a resettlement plan will be prepared. Where the road traverses Houa Don Det, Khone Tai, and Hang Khone villages, drains will be under the road to maintain the existing road-width and trees. If detailed design determines there are any structural losses or very minor land acquisition is required a resettlement plan will be prepared. There are several boat landings on the islands as well as public water access to both islands' residential and commercial areas, assuring uninterrupted access.

- **Component.** Improve cycle track/footpaths with gravel and install public lighting and safety rails on the old railway bridge that connects Don Det and Don Khone islands.

Expected LAR Impact. None. Only public paths are eligible for project assistance. The cycle track/footpaths are currently 1.0–3.0 meters wide. The railway bridge is a public asset. Installation of public lighting and safety rails will be sequenced to ensure uninterrupted public access to the bridge.

Figure 5: Inter-Island Road Cross Section



17. **Due Diligence Conclusion.** The proposed infrastructure improvements and capacity building activities are not expected to cause involuntary resettlement impacts as all works will be carried out within existing alignments and on public land, without causing access or business disruption. As there are no involuntary resettlement impacts foreseen, both subprojects are assessed category C for involuntary resettlement per ADB's SPS 2009. Resettlement screening checklists are in Annex 2.

18. If the detailed engineering designs reveal the need for minor land acquisition or minor structural/business losses a resettlement plan will be prepared following government regulations and ADB's SPS 2009. The entitlement matrix and other provisions shall align with the project's government and ADB-approved resettlement plan for Vientiane Province.

Annex 1. Lists of Key Persons Met

Champasak Province (May 2017)

No.	Name	Position
1	Ms. Bounsouvanh Phosanasak	Deputy, Champasak Lao Women's Union
2	Mr. Khamviengkeo Thanongchit	Head, Ethnic Section, Lao Front for National Construction
3	Ms. Keomorkda Bounthavongsinh	Head, Land Section, Dept. Natural Resources & Environment
4	Ms. Phaiboun Sayavong	Staff, Dept. of Information, Culture and Tourism

Khong District

No.	Name	Position
1	Mr. Anuseng Chanthavong	Head, Office of Natural Resources and Environment
2	Mr. Vongsayphon Phothisane	Staff, District Administration Office
3	Mr. Somhak Thepboauly	Deputy, Office of Public Works and Transport
4	Ms. Soimany Phanthavong	Head, Lao Women's Union
5	Mr. Bounmy Mahavong	Deputy, Lao Front for National Construction
6	Mr. Somsanouk Homkingkeo	Deputy, District Administration Office
7	Mr. Khamsing Bouchaleurn	Head, Office of Information, Culture and Tourism
8	Mr. Sisavath Bouaphaseth	Staff, Office of Information, Culture and Tourism

Nakasang Village

No.	Name	Position
1	Mr. Khamsing Bouchaleurn	Head, Office of Information, Culture and Tourism
2	Mr. Bounseum Chanthalangsi	Head of Boat Association
3	Mr. Khamphon	Vendor at Nakasang market
4	Mr. Khampho Simbandith	Head of Village
5	Mr. Kan Vongsa	Village authority
6	Mr. Khampao Silavong	Village authority
7	Mr. Sompout	Village authority
8	Mr. Khampon Phuangthalangsi	Head, Lao Front for National Construction

Don Det Village

No.	Name	Position
1	Mr. Subin Phimthong	Village Chief
2	Mr. Peth	Head, Boat Association
3	Mr. Lang	Representative, Tourist Vehicle Association
4	Mr. Bounong	Representative, Tourist Vehicle Association

No.	Name	Position
5	Mr. Vilaysack	Representative, Tourist Vehicle Association
6	Ms. Khamfeuang	Lao Women's Union
7	Mr. Pho	Representative, Tourist Vehicle Association
8	Mr. Anong	Representative, Tourist Vehicle Association
9	Mr. Aoythong	Representative, Tourist Vehicle Association
10	Mr. Khamfoi Kanyasi	Lao Front for National Construction

Don Khone Village

No.	Name	Position
1	Mr. Ban Inthalangsi	Village Chief
2	Mr. Souban Khamvongsa	Deputy Village Chief
3	Mr. Aie	Lao Front for National Construction

Nakasang Village (March 2017)

No	Name	Position
1	Mr. Khamsing Bouchaleun	Head, Office of Information, Culture and Tourism
2	Mr. Bounseum Chanthalangsi	Head, Boat Association
3	Mr. Phaybounsavan	Village Chief
4	Mr. Khamphone	Trader
5	Ms. Khampho Simbandith	Deputy Village Chief
6	Mr. Kuivongs	Representative, Village Committee
7	Mr. Khamman Manivong	Deputy Chief, Youth Organization
8	Mr. Khamphay	Representative, Village Committee
9	Mr. Khamphone Phuangthalangsi	Representative, Village Elders people
10	Mr. Khamphao SiKNoun	Deputy Chief, Youth Organization

Don Det–Don Khone (March 2017)

No	Name	Position
1	Mr. Boun Ong	Representative, Tourist Vehicle Association
2	Mr. Thet	Representative, Boat Association
3	Mr. Soubin Phimthong	Deputy Village chief
4	Mr. Vilaysack Thiengtham	Representative, Tourist Vehicle Association
5	Ms. Khampheuang	Representative, Women's Union
6	Mr. Nyo	Representative, Tourist Vehicle Association
7	Mr. Anong	Representative, Tourist Vehicle Association
8	Mr. Soithong	Representative, Tourist Vehicle Association
9	Mr. Khampheuan	Representative, Boat Association
10	Mr. Khamphoi Kanyasi	Village Elder
11	Mr. Ban Inthalangsi	Village Chief
12	Mr. Souban Khamvongsa	Deputy Village Chief

Table A1: Summary of Field Visits and Consultations

Date	Location	Meeting / Organization	Remark
17/5/17	Champasak Province	Lao Women's Union, Lao Front for National Construction Ethnic Affairs Division, Department of Natural Resources and Environment	Advised to establish provincial, district and village committee to assess any losses in the subproject area during implementation
17/5/17	Nakasang Village, Don Det-Don Khone	Meet men and women community leaders and subproject beneficiaries to determine their expectations from the project, perceived socioeconomic benefits, anticipated adverse impacts of subproject to project beneficiaries and measures to avoid or minimize adverse impacts; and willingness to participate in project activities. Assess potential resettlement issues.	No permanent resettlement impacts envisaged. Potential temporary impacts on shop verandas during construction if road width is expanded.
18/5/17	Don Det-Don Khone	Site visit to infrastructure subprojects on Don Det-Don Khone to identify potential resettlement issues	No permanent resettlement impacts envisaged. Potential temporary impacts on shop verandas and bamboo fences during construction if road width is expanded.
18/5/17	Khong District	Consult Khong Lao Women's Union, Lao Front for National Construction Ethnic Affairs Division, and district staff responsible for land acquisition and resettlement to review capacity building needs to manage involuntary resettlement.	District staff have some experience dealing with involuntary resettlement issues from Don Sahong Hydropower Project.

Annex 2. Involuntary Resettlement Impact Categorization Checklist

Tale A2.1: Nakasang Access Road and Port Rehabilitation

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

Tale A2.1: Don Det-Don Khone Access Improvements

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