

Updated Land Acquisition and Compensation Framework

April 2018

LAO: Additional Financing of Water Supply and Sanitation Sector Project

Prepared by the Department of Water Supply, Ministry of Public Works and Transport for the Asian Development Bank.

CURRENCY EQUIVALENTS

(as of 27 February 2018)

Currency unit	=	kip (KN)
KN1.00	=	\$0.0001205
\$1.00	=	KN8,294

ABBREVIATIONS

ADB	–	Asian Development Bank
AH	–	affected household
AP	–	affected persons
DHUP	–	Department of Housing and Urban Planning
DMS	–	detailed measurement survey
DONRE	–	Department of Natural Resources and Environment
DPWT	–	Department of Public Works and Transport
DRC	–	district resettlement committee
DWS	–	Department of Water Supply
EA	–	executing agency
GRC	–	grievance redress committee
IA	–	implementing agency
IEM	–	independent external monitor
IOL	–	inventory of losses
LACF	–	land acquisition and compensation framework
LACP	–	land acquisition and compensation plan
LAR	–	land acquisition and resettlement
LARC	–	land acquisition, resettlement and compensation
LFNC	–	lao front for national construction
LWU	–	lao women's union
NGO	–	nongovernment organization
O&M	–	operation and maintenance
OPWT	–	Office of Public Works and Transport
PCU	–	project coordination unit
PIAC	–	Project implementation assistance consultant
PIU	–	project implementation unit
PNP	–	provincial <i>nam papa</i> (water utility)
PPSC	–	provincial project steering committee
PSC	–	project steering committee
RCS	–	replacement cost survey
RF	–	resettlement framework
ROW	–	right-of-way
RP	–	resettlement plan
SESAH	–	socio-economic survey of affected households
SPS	–	safeguards policy statement
STEA	–	science technology and environmental agency
STWSP	–	small towns water supply and sanitation sector project
TA	–	technical assistance
TOR	–	terms of reference
UDAA	–	Urban Development Administration Authority
VEI	–	village environmental improvement
WSS	–	water supply and sanitation

WSSP – Water Supply and Sanitation Sector Project

WEIGHTS AND MEASURES

ha	–	hectare
km	–	kilometre
km ²	–	square kilometer
lpcd	–	liters per capita day
m	–	meter
m ²	–	square meter
m ³	–	cubic meter

GLOSSARY

affected person	–	An affected person indicates any juridical person being as it may an individual, a household, a firm or a private or public institution who, on account of the execution of the Program and its subprojects or parts thereof would have their: <ul style="list-style-type: none">(i) Right, title or interest in any house, land (including residential, agricultural and grazing land), water resources or any other fixed or moveable asset acquired, possessed, restricted or otherwise affected in full or in part, permanently or temporarily; and/or(ii) Business, occupation, place of work or residence or habitat affected, with or without physical displacement; or(iii) Standard of living affected.
affected household	–	Refers to all members residing under one roof and operating as a single economic unit, who are affected by a project or any of it components
compensation	–	Refers to payment in cash or in kind for an asset or resource that is acquired or affected 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: <ul style="list-style-type: none">(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 for eligibility	–	<p>This refers to the date prior to which the occupation or use of the area makes residents/users/occupants of the same eligible to be categorized as AP (see definition of eligibility). In this project, the cut-off date coincides with the date of completion of the census of APs in a specific subproject and which is preceded by a public consultation or announcement. Persons not covered in said census are not eligible for compensation and other entitlements, unless they can show proof that:</p> <ul style="list-style-type: none"> (i) They have been inadvertently missed out during the census and the inventory of loss (IOL); or (ii) They have lawfully acquired the affected assets following completion of the census and the IOL and prior to the conduct of the detailed measurement survey (DMS). In view thereof, the final list of APs is determined during the DMS. The establishment of cut-off date for eligibility is intended to prevent the influx of ineligible non-residents who might take advantage of project entitlements and speculate on land values and to prevent speculation by eligible APs.
displaced person	–	<p>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.</p>
detailed measurement survey	–	<p>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 done earlier during the project’s feasibility studies. The final cost of resettlement for the subproject will be determined following completion of the DMS.</p>
eligibility	–	<p>Eligible APs may fall under any of the following groups:</p> <ul style="list-style-type: none"> (i) Those who have formal legal rights to land lost including customary and traditional rights; (ii) Those who do not have formal legal rights to land lost as of the cut-off date but have

- claims to such land or assets that are recognizable under national laws; and,
- (iii) Informal settlers who satisfy the condition for eligibility to compensation as provided in the definition of “cut-off date for eligibility”.

Non-eligible APs include those making claims based on subsequent occupation after the cut-off date for eligibility.

entitlements	–	This refers to a range of measures comprising compensation, income restoration support, transfer assistance, livelihood substitution, relocation support, etc. which are provided to APs, depending on the type and severity of their losses, to restore their economic and social base.
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 so as to achieve, at the least, complete restoration of pre-project living standards. This term is used synonymously with “Rehabilitation.”
inventory of losses	–	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 right-of-way (ROW) are identified, measured, their owners identified, and their exact location pinpointed.
involuntary resettlement	–	It is the displacement of people, not of their own preference, from their homes, assets, sources of income and livelihood in the Project COI. Involuntary resettlement may result in any or a combination of the following: loss of land, abode and other fixed assets, loss of income and/or employment, relocation, separation of family members, disintegration of communities, etc. Unless appropriate and adequate mitigation measures are carried out, involuntary resettlement will result to further hardship and impoverishment among the APs, especially the marginal sectors of society (see definition of “vulnerable groups”). These adverse social impacts of development projects are often borne by APs not of their own desire but involuntarily.
land acquisition	–	Refers to the process whereby an individual, household, firm or private institution is compelled to alienate all or part of the land s/he/it owns or is in the process of getting ownership of in favour of

		the government for the Project in return for compensation at replacement cost.
rehabilitation	–	Above, as in income restoration and rehabilitation
relocation	–	This is the physical displacement of an AP from her/his pre-project place of residence and/or business.
replacement cost	–	It means the cost of replacing lost assets and incomes, including cost of transactions. The amount calculated before displacement which is needed to replace an affected asset without deductions for taxes, and costs of transaction as follows: <ul style="list-style-type: none"> (i) Productive land (agricultural, fishpond, garden, forest) based on market prices that reflect recent land sales, and in the absence of such recent sales, based on productive value. (ii) Residential land based on market prices that reflect recent land sales, and in the absence of such recent land sales, based on similar location attributes. It means the cost of buying a replacement land near the lost land with equal productive potential and same or better legal status, including interest accrued, transaction costs and other documentation fees. (iii) Houses and other related structures based on current market prices of materials and labor without depreciation or deductions for salvaged building materials. (iv) Standing crops equivalent to the current market value of the crop at the time of compensation. (v) Perennial crops and trees, cash compensation equivalent to the current market value given the type, age and productive value (future production) at the time of compensation. (vi) Timber trees, based on diameter at breast height at current market prices. (vii) Others.
replacement cost study	–	This refers to the process involved in determining replacement costs of affected assets based on empirical data.
resettlement	–	This includes all measures taken to mitigate any and all adverse social impacts of the project, including compensation, relocation (where relevant), and rehabilitation as needed.
resettlement plan	–	This is a time-bound action plan with budget setting out compensation and resettlement strategies, objectives, entitlement, actions,

		responsibilities, monitoring and evaluation which are all aimed at helping APs re-establish their pre-project standards of living.
resettlement effects	–	Resettlement Effects mean all negative situations directly caused by the project including loss of land, property, income generation opportunity, and cultural assets as triggered by the project.
right-of-way	–	The right-of-way is a public available and governmental owned strip of land following a center line (such as for roads, canals, etc.) providing an area of access. The project will use the complete area where necessary. In case some of the ROW has been encroached upon by informal occupiers/ formal users (for example people now living, doing business, or cultivating land within the ROW), the project intends to adopt a corridor-of-impact within the ROW to avoid adverse land acquisition and resettlement related impacts.
severely affected persons	–	This refers to affected persons or households who: <ul style="list-style-type: none"> (i) Need to be relocated, (ii) Lose 10% or more of productive (income generating) assets, (iii) More than 40% of the surface of the house is damaged (or where assets are affected only partially but the remaining assets are rendered unviable for continued use and relocation might be necessary for that reason (Guidelines on Resettlement Compensation, WREA, March 2010)
significant resettlement effects	–	Involuntary resettlement impacts of a subproject are considered significant if 200 or more persons will experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive assets (income generating) as per OM Section F1.
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 can include: <ul style="list-style-type: none"> (i) Female headed households with dependents. (ii) Disabled household heads. (iii) Households falling under the generally accepted indicator for poverty. (iv) Children and the elderly households who are landless and with no other means of support. (v) Landless households. (vi) Indigenous people or ethnic minorities.

NOTE

- (i) In this report, "\$" refers to United States dollars.

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Attachments

Attachment 1: Land Acquisition and Resettlement Screening Form

Attachment 2: Standardized IOL Sheet

Attachment 3: Consultation/Meeting Record Format

1 EXECUTIVE SUMMARY

1.1 Background

1. The proposed grant for additional financing of Water Supply and Sanitation Sector Project (WSSP) will improve the performance of provincial water utilities (provincial *nam papas* or PNP) and expand access to safe piped water supply and sanitation (WSS) for urban residents in four of the original 11 towns and four new towns in the Lao People's Democratic Republic (PDR). The current Project was prepared under Asian Development Bank (ADB) TA 8150-LAO and is the fourth ADB-funded water supply sector project in the Lao PDR, following the Small Towns Water Supply and Sanitation Sector Project (STWSP) which is currently being completed (2009-2018). The Project is designed in accordance with the urban water supply and sanitation sector strategy and investment plan of the Government of the Lao PDR, and will contribute to the government's urban sector targets of 80% coverage of piped water supply and 90% coverage of sanitation by 2020.

2. The Project has three integrated outputs, namely: (i) improved institutional effectiveness; (ii) improved town level water supply services, and (iii) improved community level water supply and sanitation services. It will support infrastructure development, implementation of policy reforms and strengthening managerial capacity of utilities.

3. The investment project is to be implemented through subprojects using a sector lending modality. Subprojects will be screened for land acquisition, resettlement and compensation impacts under the guidance of this updated Land Acquisition and Compensation Framework (LACF) for additional financing. In order for subprojects to be eligible for funding under the WSSP, their land acquisition and resettlement impacts must be Category B or not significant land acquisition or resettlement impacts i.e. fewer than 200 people will be physically displaced from housing or will lose less than 10% of their productive (income generating) assets. Each subproject will require a Land Acquisition and Compensation Plan (or resettlement plan) before it can be eligible for ADB financing.

4. During the preparation of the WSSP, Feasibility Studies have been prepared for two sample subprojects (i) new water supply systems in Sopbao (Houaphan province) (ii) rehabilitation and expansion of an existing water supply system in Xamneua (Houaphan province)

1.2 Planned Civil Works

5. Subprojects will include activities such as construction of raw water intakes, water treatment plants, storage tanks or towers, and pumping stations; new pipe laying or pipe replacement (usually along road alignments) for transmission and distribution pipelines; and construction of public sanitation facilities that may result in the permanent loss of small areas of land; minor damage to structures, crops and trees, and temporary loss or disruption of the use of land or other assets caused by construction works and the movement of construction plant and materials to and from work sites. Some businesses and households, especially those located close to roads where pipes will be laid, may be temporarily affected.

1.3 Severely Affected People

6. It is anticipated that most impacts will be temporary and not significant. Few households will need to be physically displaced or will lose 10% or more of their productive assets and therefore will not be severely affected according to ADB criteria.

1.4 Policy Framework

7. The government's relevant regulation and legal framework and the ADB's Safeguards Policy Statement (2009) on Involuntary Resettlement and Operation Manual (OM F1) 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. Land Acquisition and Compensation Plans (LACP) prepared for subprojects will comply with the contents and requirements of the updated LACF for additional financing.

1.5 Consultation, Participation and Disclosure

8. To date, dissemination and consultation activities have occurred as an integral part of the preparation of the LACP including briefings; public meetings; on-site informal discussions with affected residents; key informant interviews; and affected persons surveys.

9. During implementation, all affected households will participate in detailed measurements and discussions about the expected impacts of the physical works. The Project Implementation Unit (PIU) and relevant District Resettlement Committee (DRC) are responsible for all information dissemination and consultation activities. Much of this work will be carried out in collaboration with the Village Resettlement Committees and supported by Project Implementation Consultant (PIAC). The scope of information to be provided to APs includes: (i) description of Project and overall schedule; (ii) detailed measurement survey and replacement cost survey, (iii) policy principles and entitlements and special provisions, (iv) grievance and redress procedures, (v) timing for payments and displacement schedule, and (vi) institutional responsibilities.

1.6 Grievance Redress Mechanisms

10. APs are entitled to lodge verbal or written complaints regarding any aspect of the preparation and implementation of the LACP. As a general policy, the implementing agency will work proactively toward reducing the number of grievances through the implementation of impact mitigation measures and community liaison activities that anticipate and address potential issues before they become grievances. For the purposes of grievance redress and resolution, the Project will rely on the existing village arbitration units where they have already been established in core villages. At the district and provincial levels, the district and provincial resettlement committees (composed of concerned departments, local officials, village chiefs and mass organizations) will act as grievance officers. All complaints and resolutions will be properly documented by the concerned resettlement committee and be available for the public and review for monitoring purposes.

1.7 Budgets and Financing

11. The costs of resettlement for subprojects will be calculated based on (i) the Inventory of Losses and the Detailed Measurement Survey, (ii) the entitlements set out in the entitlement matrix of this updated LACF for additional financing, and (iii) the Replacement Cost Survey. A contingency of 20% will be included in these cost estimates to be used as required during implementation of the LACP.

12. All compensation for land and other affected assets will be paid at replacement cost based on current market prices. All costs for subproject resettlement programs under the WSSP including land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed by provinces using counterpart funds.

1.8 Institutional Arrangements

13. The Ministry of Public Works and Transport (MPWT) will be the Executing Agency (EA), with delegated responsibility to the Department of Water Supply (DWS). A Project Coordination Unit (PCU)

within the DWS will coordinate and facilitate the implementation of the WSSP. Provincial level PCUs and PIUs have key roles in the planning and implementation of land acquisition, compensation and resettlement activities. Provincial and district resettlement committees will be established for each subproject, with focal person(s) identified at village levels for active participation in design and implementation of LACPs.

1.9 Monitoring and Reporting

14. Sub-projects with land acquisition and resettlement impacts will have internal and external monitoring activities. The scope of internal monitoring to be carried out assesses (i) compliance with the WSSP resettlement policies and procedures and (ii) the availability and efficient use of personnel, material and financial resources; and, identifies the need for (iii) remedial actions to correct any problems that arise.

15. An Independent External Monitor will be responsible for monitoring of the implementation of the approved LACPs and to ascertain that compensations have been made to the APs; and, to assess whether AHs are able to restore their living conditions, livelihoods and incomes to pre-subproject levels and, if not, to recommend remedial actions to assist AHs.

16. Reporting will include semi-annual reports with data disaggregated by sex and ethnicity.

2 INTRODUCTION

1. This document comprises the updated Land Acquisition and Compensation Framework (LACF) for additional financing to establish the policies and procedures for compensation, rehabilitation and resettlement of affected people (APs) for those subprojects in the WSSP that require land acquisition.

2.1 Project Description

2. The Water Supply and Sanitation Sector Project (WSSP) will improve the performance of provincial water utilities (Provincial *Nam Papas* or PNPs) and expand access to safe piped water supply and sanitation (WSS) for urban residents in four of the original 11 towns and four new towns of the Lao PDR.

3. The Project is designed in accordance with the urban water supply and sanitation sector strategy and investment plan of the government and will contribute to the government's urban sector targets of 80% coverage of piped water supply and 90% coverage of sanitation by 2020. The proposed project is the fourth ADB-funded water supply sector project in the Lao PDR and follows the Small Towns Water Supply and Sanitation Sector Project (STWSP) which is currently being completed (2009–2018).

4. Developing the small district and provincial towns with 2,000–40,000 population as key administrative and economic centers is becoming increasingly important to the nation's economic development, jobs growth, poverty reduction and diversity. Increased access to safe piped, urban water supply and improved sanitation systems along with enhanced PNP service delivery play a vital role in the small towns by supporting economic development and improving the health profiles of urban residents.

5. The Project has three integrated outputs, namely: (i) improved institutional effectiveness; (ii) improved town level water supply services, and (iii) improved community level water supply and sanitation services. It will support infrastructure development, implementation of policy reforms and strengthening managerial capacity of utilities.

6. The investment project designed under this Program is to be implemented through subprojects using a sector lending modality. Under this arrangement, subprojects will be screened as to their land acquisition, resettlement and compensation impacts under the guidance of this updated Land Acquisition and Compensation Framework (LACF) for additional financing. Each subproject will require a Land Acquisition and Compensation Plan (LACP) before it can be eligible for ADB financing.

7. The location and scope of each subproject takes into account potential land acquisition and resettlement impacts with the eligibility criteria limiting selection to those subprojects with insignificant resettlement. Subprojects considered to have significant impact will be ineligible under the eligibility criteria of the Project.

2.2 Scope and Nature of Resettlement Impacts

8. Subprojects may include activities such as construction of raw water intakes, water treatment plants, storage tanks or towers, and pumping stations; new pipe laying or pipe replacement (usually along road alignments); and construction of public sanitation facilities that may result in the permanent loss of small areas of land; minor damage to structures, crops and trees, and temporary loss or disruption of the use of land or other assets caused by construction works and the movement of construction plant and materials to and from work sites. Few, if any, households will need to be physically displaced or will lose 10% or more of their productive assets and therefore be severely

affected according to ADB criteria. Some businesses and households, especially those located close to roads where pipes will be laid, may be temporarily affected.

9. Should households require resettlement, support for relocation, compensation for the loss of assets and assistance with income restoration will be provided, according to ADB's SPS and the government requirements.

10. To avoid or minimize the potential resettlement impacts from the project activities, the implementing agencies will:

(i) Consider design alternatives, favoring those which meet technical and final requirements as well as other criteria, including siting water intake, treatment and storage facilities on unused public land; and locating water transmission and distribution pipes in road and other public rights-of-way,

(ii) Where resettlement impacts are unavoidable, provide the financial and technical assistance to households as prescribed in this updated LACF for additional financing; and

(iii) Ensure adequate monitoring of construction activities to ensure adherence to approved designs, and the Environmental Management Plan for each subproject.

2.3 Representative Subprojects

11. During the preparation of the WSSP, Feasibility Studies have been prepared for two sample subprojects. These are;

(i) new water supply systems in Sopbao (Houaphan province) and

(ii) rehabilitation and expansion of an existing water supply system in Xamneua (Houaphan province)

12. These representative subprojects have been screened for resettlement impacts using the form in Attachment 1. Impacts are minor with few affected households, however an updated Land Acquisition and Compensation Plan based on detailed engineering design is required for each of these subprojects.

13. Up to four more towns will be candidates for inclusion in the project, based on selection criteria agreed between the government and ADB. These additional towns will undergo feasibility studies during implementation so it is therefore not possible to assess resettlement impacts at this stage. The policy for the WSSP is that a candidate sub-project town is eligible for inclusion in the Project if, in addition to other criteria, the land acquisition and resettlement impacts are not significant.

3 OBJECTIVES, POLICY FRAMEWORK AND ENTITLEMENTS

14. During Project implementation the one of the key principles is to avoid land acquisition and resettlement impacts to a maximum possible extent; to minimize resettlement impacts by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all severely)1 relative to pre-project levels; and to improve the standards of living of the poor DPs and other vulnerable groups.

15. This updated Land Acquisition and Compensation Framework (LACF) for additional financing provides a process of resettlement impact assessment, guides the preparation of the resettlement plans along with relevant implementation of compensation and income restoration measures for AHs. It covers both land acquisition and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of land acquisition or any restrictions on land use.

3.1 Rationale for a Resettlement Framework

16. The updated LACF for additional financing sets out the objectives, principles, eligibility criteria and entitlements for APs, based on (i) ADB Safeguard Policy Statement (2009), (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 APs and/or assist them through the process of resettlement 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 LACPs for any component or subproject that entails involuntary resettlement and/or effects on land, property or livelihood.

17. The government's relevant regulation and legal framework and the ADB's Safeguards Policy Statement (2009) on Involuntary Resettlement and Operation Manual (OM F1) 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.

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

3.2 Lao Laws and Regulations

19. In the Lao PDR, compensation principles and policy framework for land acquisition and resettlement are governed by laws, decrees and regulations of the government, principally the Constitution (1991) and the Land Law (1997, 2003), the Road Law (1999), Decree 84/PM on Compensation and Resettlement Management in Development Projects (April 2016) Decree on Environmental Assessment (EA), February 2010 (112/PM).

3.2.1 1991 Constitution

20. The Constitution sets out the broad framework for the ownership and management of land in the Lao PDR, as well as the rights of ethnic groups.

(i) The State protects and promotes all forms of state, collective, and individual ownership (Article 14).

(ii) Land in the Lao PDR is owned by the national community; and the State ensures the right to use, transfer and inherit land in accordance with the law (Article 15).

(iii) The Constitution establishes the right of all ethnic groups to protect, preserve and promote their customs and heritage; all acts of division and discrimination among ethnic groups are prohibited (Article 8).

3.2.2 Land Law - 2003

21. The Land Law 04/NA (21 October 2003) is the principal legislation by which the State exercises its constitutional responsibility for the management, preservation and use of land. Various articles of this law are relevant to issues of land acquisition and resettlement. (Land Law 2003 supersedes the 1997 Law).

(i) Article 3 reaffirms that all land in the Lao PDR is the property of the national community and is to be managed by the State. Land is entrusted for efficient use to individuals, families and other entities; and, “ownership” consists in the right to use land. Land may not be used as a tradable commodity and land speculation is prohibited.

(ii) Article 5 protects the constitutional rights of land users including the lawful interests of efficient, regular and long-term users. It also guarantees their rights to possession, use, usufruct, transfer and inheritance.

(iii) Article 11 classifies land into eight categories including agricultural land, forest land, construction land, communications land, industrial land, cultural land, defense and security land and water area land. The principal categories of concern to the Project are agricultural land (i.e., land allocated for use in plantation and animal husbandry, including irrigation land); construction land (i.e. land designated for dwellings and other structures) and communication land (i.e., land allocated for roads, bridges, drainage channels, power lines, etc.).

22. The Land Law addresses the registration and titling of land that is being used legally, including the following provisions:

(i) Land registration certifies the legal use of land; and, in the case of conjugal property, land is registered in the names of both spouses (Article 43).

(ii) A Land Certificate issued by district authorities confers a temporary right to use agricultural and forest land; it can be inherited but cannot be transferred, leased or used as collateral (Article 48). The temporary right lasts for at least three years, but may be issued for a longer period (Articles 18 and 22).

(iii) A Land Title is the only document that confers a permanent right to use land (Article 49). It is issued as a result of a systematic or spontaneous land registration process.

23. The right of an individual or organization to use land can be terminated if the State takes the land back for a public purpose (Article 63). In that instance, the State must make “appropriate” compensation to the affected person; each village, province, municipality, or special zone must keep 5% of its total land area in reserve to ensure the compensation of requisitioned land (Article 71).

24. In the absence of a Land Title, the Land Certificate (Form 01) is recognized as evidence of land use rights. Similarly, in the case of land acquisition, holders of other 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.

25. In addition, people 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 example: residency or use of the land by the unregistered user for at least two years) by which individuals, except those living within the ROW, can apply for certification.

3.2.3 Road Law (1999) and Town Planning Regulation (2004)

26. Different laws and regulations apply in designated urban areas and non-urban areas for the laying position of water supply pipelines, irrespective of the class of road.

27. The Road Law sets out the principles and regulations for public roads outside of urban areas, and divides public roads in Lao PDR into six classes. Table 1 shows the road classes and the corresponding road limits which are defined as the total width of the road, including road surface, shoulder, footpath, drainage ditch and the reserved zone. No development or activity is permitted within the reserved zone for the road, except with the specific permission of the Road Authority¹.

Table 1. Lao PDR Road Classes and Width of Road Limits

Class	Class of Road	Width of Road Limit (m)
I	National road	25m each side of road centreline (50m total width)
II	Provincial road	15m each side of road centreline (30m total width)
III	District road	10m each side of road centreline (20m total width)
IV	Rural road	5m each side of road centreline (10m total width)
V	Urban road	In compliance with Urban Master Plan
VI	Special road	In compliance with technical standard specifically imposed on each road

Source: Road Law (1999)

28. According to the Road Law, water supply pipelines must be laid outside the road limit of National, Provincial, District or Rural Roads outside of designated urban areas. For example, in districts where the water supply pipeline will be laid along national roads outside of the urban area, the pipeline must be laid no closer than 25m to the road centerline, notwithstanding that the road formation is only 20m wide. i.e. the water supply pipeline must be located at least 15m from the edge of the road. Only in special circumstances does the Road Department of MPWT (which is the authority for National Roads) give permission for pipelines outside of urban areas to be laid within the road limits. Where permission is not given, pipelines usually have to run in the fields alongside the road, not within the road limits.

29. Different regulations apply to roads within urban areas, irrespective of whether they are National, Provincial or District Roads. The Urban Masterplan and the Rules and Regulations of Town Planning govern the planning, design and construction of urban roads.² There are five types of urban roads, as shown in Table 2. The regulations define the road right-of-way (ROW) for each class of urban road. The ROW area serves as a guide for road construction and road widening. Within the ROW, no construction is permitted except buildings serving for traffic, or public facilities such as footpath, electricity, water supply, drainage, telecommunications facilities, decorative features and advertisements.

Table 2. Rights-of-Way for Urban Roads

No	Type	Total Carriageway width (m)	Median Width (m)	Total Footpath Width (m)	ROW Width (m)
1	Arterial Road	2x10.5	1.0	2x4.0	30.0

¹ The concerned Road Authorities are: MPWT, DPWT and OPWT for National, Provincial and District/Rural roads respectively.

² Agreement from the Minister on the Rules and Regulations of Town Planning, No 209, 5 February, 1996. MPWT.

2	Sub-arterial Road	2x6.5	1.0	2x3.0	20.0
3	Collector Road	10.0	-	2x2.5	15.0
4	Distributor Road	8.0	-	2x2.0	12.0
5	Small Residential Roads	3.0-4.5	-	2x0.5-2x0.75	4.0-6.0

Source: MPWT Regulation No. 209 on Town Planning (2004).

30. For arterial, sub-arterial and collector roads, services may be installed in the 2.5-4.0m wide footpath (or road shoulder) in the following order from the road edge: drainage, tree planting, water supply pipeline, electricity, telecommunication wires. The drain must not be closer to the road edge than 0.3m and telecommunications must not be closer than 0.5m from the outer edge. For distributor roads having only 2.0m wide footpaths, the facilities may be divided between the two sides of the road, with drainage, tree planting, electricity and telecommunications on one side and drainage, tree planting and water supply pipeline on the other.

31. In some Project towns houses or other structures could be found to be illegally encroaching into the ROW along the water supply pipeline route. In such cases, it would not be practicable to install the pipeline inside the houses or structures, as unhindered access to the pipeline is required for future operation, maintenance or repairs. The optimum solution depends on specific circumstances. If no space remains within the ROW to install the pipeline, in most cases the best solution would involve: (i) either remove part or all of the house or structure within the ROW, install the pipeline in the ROW, and pay appropriate compensation to the householder, or; (ii) divert the pipeline outside the ROW. In the latter case the pipeline could be installed in the adjacent road with permission of the concerned road authority, or in another location, which minimizes or avoids land acquisition and compensation problems.

32. If there is National Road in the urban area, eg. National Road 17B in Long District, then it has a ROW and the pipeline is laid in the footpath within the ROW. As soon as the road exits the urban area, the Road Law applies and the pipeline, which was in the ROW in the urban area, then has to take a right angled turn so that it is outside the road limit.

3.2.4 Decree No. 84/PM on Compensation and Resettlement Management in Development Projects (2016)

33. Decree 84/PM on the Compensation and Resettlement Management in Development Projects was adopted in April 2016. The Decree applies to any projects that require acquisition of land or land use rights or rights to possess fixed or immovable assets, or require changes in land use or restrictions on the use of resources that affect livelihoods.

34. The main provisions of the Decree aim to: (i) provide principles, regulations and standards on the management and monitoring of compensation of losses as a results of development projects. (i) Ensure that affected people are compensated, resettled and are assisted with livelihood alternatives and iii) to improve living conditions to be better off or at the same level as well as contributing to the socio-economic status of the country.

3.2.5 Environmental Protection Law and Ministerial Instructions N. 8029 for IEE

35. The law governing the protection of the environment, including the assessment and management of projects in the Lao PDR is the Environmental Protection Law (EPL), which was issued in 1999 and amended in 2013. This includes the Lao PDR IEE Instruction of 2013. The responsibilities and procedures for environmental monitoring of projects are set out in the Ministry of Natural Resources and Environment (MoNRE) Ministerial Instructions No. 8029 (for IEE) and No. 8030 (for EIA) issued on 17 December 2013. Under the Agreement No. 8056 as issued by MONRE on 17 December 2013, investment projects are categorized according to a

schedule or list of projects such that for Category 1 or small-scale projects, an IEE is required and for Category 2 or large-scale projects, an EIA report is prepared. Under the Ministerial Agreement No. 8056/MoNRE, water supply facilities (Item 3.35) fall under Category 1 so an IEE is required by the government.

36. The Ministerial Instructions No. 8029 states that all investment projects that may create adverse environmental and social impacts are to be designed with the correct and appropriate environmental and social impact prevention and mitigation measures or environmental management and monitoring plans (EMP) and social management and monitoring plans (SMMP). According to the decree, the primary responsibility for undertaking environmental assessment of projects is with the project developers, which for this subproject, is the Department of Water Supply (DWS). The Ministry of Natural Resources and Environment, acting through the Department of Natural Resources and Environment (DoNRE), is responsible for the review and approval of environmental assessment reports, coordination of monitoring and evaluation, and issuance of the requisite environmental compliance certificates (ECC). Public participation and discussion with local administrations is required throughout the environmental assessment process.

3.3 ADB Resettlement Related Policies

3.3.1 Safeguards Policy Statement - 2009

37. The objectives of the ADB Safeguard Policy Statement (2009) are (a) to avoid impacts on people and the environment, where possible; (b) where avoidance is not possible, minimize, mitigate, or compensate for adverse project impacts on the environment and the affected people; and (c) help the executing agency strengthen its safeguard system. To this end, ADB resettlement policy includes the following principles:

- Screen the project early on to identify past, present, and future involuntary resettlement impacts and risks. Determine the scope of resettlement planning through a survey and/or census of affected persons, including a gender analysis, specifically related to resettlement impacts and risks.
- Improve, or at least restore, the livelihoods of all affected persons through (a) 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, (b) prompt replacement of assets with access to assets of equal or higher value, (c) prompt compensation at full replacement cost for assets that cannot be restored, and (d) additional revenues and services through benefit sharing schemes where possible.
- Provide physically and economically affected persons with needed assistance, including the following: (a) 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; (b) transitional support and development assistance, such as land development, credit facilities, training, or employment opportunities; and (c) civic infrastructure and community services, as required.
- Improve the standards of living of the affected 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.
- Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement.

- Ensure that APs without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- Prepare a resettlement plan (RP) elaborating on AP's entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- Disclose a draft RP including documentation of the consultation process in a timely manner, before project appraisal, in an acceptable place and a form and language(s) understandable to affected persons and other stakeholders. Disclose the final RP and its updates to affected persons and other stakeholders.
- 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 cost and benefits. For a project with significant involuntary resettlement impacts, consider implementing the involuntary resettlement component of the project as a stand-alone operation.
- Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- Monitor and assess resettlement outcomes, their impacts on the standards of living of affected persons, and whether the objectives of the resettlement plan have been achieved by taking into account the pre-project baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

3.3.2 Policy on Indigenous People - 2009

38. The objective of ADB Policy on Indigenous Peoples in the new Safeguard Policy Statement (2009) is to design and implement projects in a way that fosters full respect for indigenous peoples' identity, dignity, human rights, livelihood systems, and cultural uniqueness as defined by the indigenous peoples themselves so that they (a) receive culturally appropriate social and economic benefits, (b) do not suffer adverse impacts as a result of projects, and (c) can participate actively in projects that affect them.

3.3.3 Policy on Gender and Development - 2006

39. The ADB Policy on Gender and Development (2006) adopts gender mainstreaming as a key strategy for promoting gender equity, and for ensuring women participation and that their needs are explicitly addressed in the decision-making process for development activities. For projects that have the potential to have substantial gender impacts, a GAP is prepared to identify strategies to address gender concerns and the involvement of women in the design, implementation and monitoring of the project.

3.4 Reconciliation of Government and ADB Policies

40. Comparing the main principles of the government policies on land acquisition, compensation, assistance and resettlement with some key guidelines of international agencies, the above listed government documents reflect basic internationally applied principles. In general, the main principles of the government policies on land acquisition, compensation, assistance, resettlement, consultation, information dissemination, disclosure and grievance redress reflect those reflected in ADB's SPS (2009).

41. Both the Lao PDR law and ADB policies entitle APs to compensation for affected land and non-land assets at replacement cost. However, there is no definition of severely affected APs within Decree 84/PM. The 10% definition of severely affected from the ADB SPS will be adopted as part of the Project's resettlement policy.

42. Both the Lao PDR law and ADB policies 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 84/PM states that those with customary land use rights will be compensated for their loss of access to the land including trees, crops and structures at replacement costs and other additional assistance to ensure they are not worse off due to the project.

Table 3. Gap Analysis of the Government and ADB Policies

Item	Government's Decree 84	ADB SPS	WSSP Principles adopted
Obligations of project owners	Strictly fulfil its social obligations	Avoid involuntary resettlement wherever possible; minimize involuntary resettlement by exploring project and design alternatives	Avoid resettlement and minimise through design, compensate where unavoidable and to follow LACPs as part of the social obligations.
Affected Person	Individuals, entities or organisation affected by development projects, temporarily or permanently.	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 adversely affected by Project resettlement – house, land, assets, business, income, standard of living.
Vulnerable households	(i) Divorced or widowed female headed households with dependents and low income; (ii) households with disabled or invalid persons; (iii) elderly households with no means of support.	Vulnerable groups: those below the poverty line, the landless, the elderly, women and children, and Indigenous Peoples, and those without legal title to land.	(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) Indigenous people or ethnic minorities.
Severely affected households	There is no specific definition of a severely affected household within the Decree.	Being physically displaced from housing; losing 10% or more of productive assets (income generating)	ADB definition plus: if more than 40% of the surface of the house is damaged (or where assets are affected only partially but the remaining assets are rendered unviable for continued use and relocation might be necessary for that reason (Guidelines on Resettlement Compensation, WREA, March 2010)
Consultation and participation	Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the value for compensation for	Meaningful consultation with APs, communities, and civil society from early in the project stage and ongoing basis throughout project cycle. Ensure APs informed on options	Meaningful consultations and full ongoing disclosure through Public Information Booklets (PIB) and consultations throughout

Item	Government's Decree 84	ADB SPS	WSSP Principles adopted
	land, constructed facilities, crop products, livestock and potential incomes and organize consultations with affected people. Actively participate in the implementation of the plan of compensation, resettlement and rehabilitation of livelihoods.	and entitlements, and alternatives in timely way; gender inclusive and tailored to disadvantaged; incorporates views of APs and stakeholders. Disclosure of resettlement documents on ADB website; and information in a timely manner, in an accessible place, and in a form and language understandable to APs and stakeholders.	the project cycle as appropriate.
Culture, ethnicity & Gender	Respect local cultures, religions, beliefs and traditions of affected people based on their customary practices. There is no mention of Gender within the decree.	Attention to gender concerns: female headed households; gender-inclusive consultation, information disclosure and grievances.	Attention to gender concerns: female headed households; gender-inclusive consultation, information disclosure and grievances.
Compensation	Compensation value is defined as the value in the form of cash, materials or land to replace those affected by development projects.	Full replacement costs. Land-based resettlement strategies for displaced persons whose livelihoods are land-based. Cash compensation. Income and livelihood restoration.	Full replacement costs. Land-based resettlement strategies for displaced persons whose livelihoods are land-based. Cash compensation. Income and livelihood restoration where AHs are severely affected.
Voluntary contributions	Not included within the Decree	Not covered by the SPS	Voluntary donations of land or assets will be not accepted under the WSSP project framework.
Grievance	Take and record all requests of those affected by the project. Article 24 states that requests should be lodged at a village level and a process is broadly set out where issues cannot be resolved at a village level.	Establish mechanism to resolve APs concerns and grievances. Resolve promptly using a transparent process, which is culturally, and gender appropriate and accessible. The mechanism should not impede access to the country's judicial or administrative remedies	Grievance process through village arbitration, district then provincial resettlement committees. Transparent process, documented, fee free. The mechanism should not impede access to the country's judicial or administrative remedies.
Monitoring	The project owner is responsible for the implementation, monitoring and reporting of activities.	Monitoring: implementation progress of the resettlement plan; compensation payments; outcomes. Projects with significant involuntary impacts, an independent external monitor to be engaged.	Internal and external monitoring (in keeping with previous sector projects)

3.5 Key Principles and Compensation Components

43. The Project has developed an updated Land Acquisition, Resettlement and Compensation (LARC) related key principles as listed in Table 4 aiming at LARC objectives the subprojects shall achieve.

Table 4. Land Acquisition, Resettlement and Compensation Principles

No.	WSSP Principles
1	Involuntary resettlement and impacts on land, structures and other assets and incomes shall be avoided and minimized by exploring all alternative options, including the use of public land.
2	APs residing, working, doing business and cultivating land within the required project area at the date of the census (the cut off date) will be entitled to compensation according to the DMS and the entitlement matrix. They may also be entitled to rehabilitation assistance to assist them in improving, or at least maintaining their pre-project living standards and productive capacities as necessary.
3	Lack of formal legal title or recognizable legal rights will not be a bar to eligibility for compensation and assistance under the Project. APs will not be displaced from affected land until the village allocates suitable alternative land of similar characteristics or compensation is paid that is sufficient to purchase suitable land within the same or neighbouring village.
4	All compensation will be based on the principle of replacement cost ³ (including any fees or taxes, registration and land transfer costs) at the time of compensation.
5	The process and timing of land and other asset acquisition will be determined in consultation with APs to minimize disturbance.
6	Where houses and structures are partially affected to the degree that the remaining portion is not viable for its intended use, the Project will acquire the entire asset, and APs will be entitled to compensation at replacement cost for the entire asset.
7	APs will be systematically informed and consulted about the Project, the rights and options available to them and proposed mitigating measures. The comments and suggestions of APs and communities will be considered and taken into account within stipulations of the updated LACF for additional financing.
8	The key information in the LACP such as measurement of losses, detailed asset valuation, compensation and resettlement options, detailed entitlements and special provisions, grievance procedures, timing of payments and displacement schedule will be disclosed to APs in a timely manner and in understandable form and language such as the distribution of public information booklets (PIBs) through public consultations and direct communication with AHs including Public Information Booklets.
9	Resettlement identification, planning and management will ensure that gender concerns are incorporated, including gender-specific consultation and information disclosure. This includes special attention to guarantee women's assets, property and land-use rights, and to ensure the restoration of their income and living standards.
10	Existing cultural and religious practices will be respected and, to the maximum extent practical, preserved.
11	Special measures will be incorporated in the resettlement plan to protect socially and economically vulnerable groups. Vulnerable APs will be provided with additional assistance ensure that they are equal beneficiaries of the project and are not further disadvantaged.
12	Compensation and rehabilitation assistance for vulnerable groups will (i) be carried out with respect for their cultural values and specific needs and (ii) ensure that they are not disadvantaged by the process of land acquisition.
13	There will be effective mechanisms for hearing and resolving grievances during updating and implementation of the LACP, without impeding access to the country's judicial or administrative remedies. Grievance redress mechanisms will include representation from the APs, especially women, minority ethnic groups, and other vulnerable groups.
14	Institutional arrangements will be in place to timely and effectively design, plan, consult and implement the land acquisition, compensation, resettlement, and rehabilitation programs. Resettlement committees will include representatives from APs especially women and vulnerable groups.
15	Adequate budgetary support will be fully committed and made available to cover the costs of land acquisition and resettlement within the agreed implementation period.

³ Replacement cost means the method of valuing assets to replace the loss of asset at prevailing market value, plus any transaction costs such as administrative charges, taxes, registration and titling costs. Replacement cost is based on market value before the project or dispossession, whichever is higher.

No.	WSSP Principles
16	Appropriate reporting, monitoring and evaluation mechanisms will be identified and set in place as part of the resettlement management system. Monitoring and evaluation of the land acquisition, resettlement and rehabilitation processes and the final outcomes will be conducted by an independent monitor
17	Voluntary donation will not be applied for any assets or losses of land.

3.6 Categories of APs

44. In the context of the WSSP, different categories of people using or occupying land in a subproject area may be affected and, as a consequence, be designated as APs. These categories are determined on the basis of (i) Lao law and legal practice to define legal users including unregistered users; (ii) ADB policy regarding APs with affected structures; and, (iii) a review of the conditions that are likely to apply in subproject areas.

Table 5. Categories of APs

No.	Categories of APs ⁴
1	Legal users include individuals, households or organizations with recognized land use rights evidenced by (i) documents such as a registered Land Title, Land Certificate (Form 01), survey certificates, land tax receipts, residency certificates and documents supporting customary land use rights; or, (ii) having applied for and awaiting receipt of recognized land use rights documents, e.g., registered Land Title. Legal users also include (iii) unregistered users that have written permission of village authorities to occupy and/or use land.
2	Non-legal users include individuals, households or organizations without legal, possessory or recognized land use rights.
3	Owners of houses, shops and other structures whether or not a) there is recognized land use rights or b) a permit was issued to construct the structure.
4	Owners of businesses whether or not the businesses are registered.
5	Lease or permissory users: Users/occupants that lease or have permission to use affected land and/or affected structures (houses, shops, market stalls, etc.) whether or not a) the land and/or structures are owned by private parties or the State or b) the tenancy is based on a formal lease or permission of the owner.
6	Agricultural labourers, non-agricultural labourers and employees temporarily or permanently affected by the Project.

3.7 Eligibility

45. All APs who are identified in the project-impacted areas as of the cut-off date will be entitled to compensation for their affected assets, and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels. The cut-off date will be the final day of the detailed measurement survey (DMS) in each subproject.⁵ Those who encroach into the subproject area after the cut-off date will not be entitled to compensation or any other assistance, unless there has been a change in subproject design.

3.8 Entitlement Matrix

46. The Entitlement Matrix sets out the entitlements of different types of losses and eligible APs. Standards described will not be lowered but can be enhanced in the subproject LACPs as required.

⁴ Note: APs refer to affected individuals, households and private and public institutions; the latter includes, among others, government agencies. These would be APs for the purposes of identifying landowners and titles.

⁵ For core subprojects or subprojects appraised during loan processing will be the date of completion of the census and inventory of losses (IOL) but subject to verification during detailed measurement survey (DMS).

47. Voluntary donations will not be applied for any assets or land.

48. The Project entitlements have been designed to provide compensation, resettlement and rehabilitation for lost assets and restore or enhance the livelihoods of all categories of affected people, including legal and non-legal land users.

49. Compensation rates for land and other assets will be established for each subproject town, based on a participatory rapid appraisal of replacement costs using data collected from district authorities, land owners including APs and vendors in the subproject area. The compensation rates will be verified at the time of the DMS and updating the LACP, based on an updated replacement cost survey. Rates for compensation and cash entitlements for rehabilitation and allowances payable to APs will be adjusted annually, based on actual inflation rate.

Table 6. Project Entitlement Matrix

TYPE OF LOSS	ENTITLEMENTS	IMPLEMENTATION ISSUES
PERMANENT LOSS OF LAND		
Agricultural or other productive land		
Legal users		
	<p>For minor losses equal to less than 10% of the AH's total productive assets, legal APs will receive cash compensation at replacement cost based on market rates at the time of compensation.</p> <p>For major losses equal to 10% or more of the AHs total productive assets and where remaining affected land is economically viable, legal APs will receive cash compensation for the affected portion at replacement cost based on market rates at the time of compensation. Plus additional applicable rehabilitation allowance(s) for severely affected AHs as described further below and is entitled to participation in the income restoration program as necessary.</p>	<p>Legal users are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law.</p> <p>Voluntary donation of land will not be allowed by the Project.</p>
	<p>For major losses of 10% or more of the total productive assets and where the remaining affected land is not economically viable, the entire property will be acquired by the project for compensation as follows: as a priority, legal APs will be allocated replacement land of similar type, category and productive capacity, located in the same village and with land documentation of equal or higher status than previously held; or, if land is not available or the APs chooses, cash compensation at replacement cost based on market rates at the time of compensation which includes transaction costs (to purchase and register land)</p> <p>Legal APs may request that the Project acquires the entire land holding if the remaining agricultural land is not viable.</p> <p>All transaction fees, taxes and other costs associated with allocation of replacement land with title or secure tenure will be paid by the Project. If the head of household is married, the title or land certificate will be issued in the names of both spouses.</p> <p>Severely AHs will also receive additional applicable rehabilitation allowance(s) as described further below and is entitled to participation in the income restoration program as necessary.</p>	<p>Legal users are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law.</p> <p>Voluntary donation of productive land will not be allowed by the Project.</p>
Users with temporary or lease rights		

TYPE OF LOSS	ENTITLEMENTS	IMPLEMENTATION ISSUES
	<p>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. If their use of the productive land represents their primary source of income, leaseholder AHs will also be entitled to participation in the income restoration program and other applicable rehabilitation allowances for severely AHs as described further below</p>	
PERMANENT LOSS OF LAND		
Residential land		
Legal users		
	<p>With sufficient remaining land to rebuild affected house/structures: (i) Cash compensation at replacement cost based on market rates at the time of compensation for land of similar type and category; and, (ii) Cash compensation for the works required to prepare land for construction. (e.g., land filling and levelling), so APs can rebuild on remaining land.</p> <p>Without sufficient remaining land to rebuild house/structures: (i) replacement land equal in area, type and category at a location satisfactory to APs and with registered title or land documentation of equal or higher status than previously held; OR (ii) cash compensation at replacement cost based on market rates at the time of compensation for land of similar type, category and location, plus assistance to purchase and register land.</p> <p>If the area of remaining land is not viable to rebuild, APs may request that the Project acquires the entire land holding.</p> <p>All transaction fees, taxes and other costs associated with the allocation of replacement land and/or issuance of title or secure tenure will be paid by the Project. If the head of household is married, any documentation will be issued in the names of both spouses.</p>	<p>Legal users are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law.</p> <p>Voluntary contribution of residential land will not be allowed.</p> <p>Viability of remaining land is based on a technical assessment by a third party with the endorsement of ADB.</p>
Users with temporary or lease rights		
	<p>APs that hold a lease for use of construction or other non-agricultural land will receive compensation equal to the remaining value of the lease.</p>	
Non-legal users		
	<p>Non-legal APs will not receive compensation for affected land. However, if they have no other residential land holdings, they will be allocated replacement land with leasehold tenure to rebuild their house and will be compensated at replacement cost for non-land affected structures as described further below.</p>	
TEMPORARY LOSS OF LAND		
Loss of access to or use of land (eg. during Construction)		
Legal owners		
	<p>The contractor will pay for any impact on crops and structures resulting from movement of machineries and construction materials</p> <p>All temporary use of lands outside proposed ROW must have written rental agreement between the land user and contractor.</p> <p>Land used temporarily will be returned to user after being restored to the original condition or preferably after being rehabilitated into better condition.</p>	<p>Legal owners are those with recognized land use rights such as registered title, land certificate, survey certificate, tax receipts and including unregistered users as per Land Law.</p> <p>The PIU and PIAC will ensure that (i) APs are adequately informed of their rights and</p>

TYPE OF LOSS	ENTITLEMENTS	IMPLEMENTATION ISSUES
		entitlements as per the WSSP land acquisition and resettlement policies; and, (ii) agreements reached between APs and the civil works contractor are carried out.
All APs regardless of land use rights		
	<p>The contractor will pay for any impact on crops and structures resulting from movement of machineries and construction materials</p> <p>Land used temporarily will be returned to user after being restored to the original condition or preferably after being rehabilitated into better condition.</p>	The PIU and PIAC will ensure that (i) APs are adequately informed of their rights and entitlements as per the WSSP land acquisition and resettlement policies; and, (ii) agreements reached between APs and the civil works contractor are carried out.
LOSS OF STRUCTURE		
Residential and commercial structure and any other asset		
Owner of structure regardless of land use rights		
	<p>For structures that are completely destroyed or are no longer viable, cash compensation at replacement cost based on market rates at the time of compensation for materials, materials transport and labour to build a structure of similar size and quality.</p> <p>For partially affected structures that are still viable for continued use, APs will receive cash compensation at full replacement cost equal to current market prices for materials, materials transport and labour for the affected part of the structure AND a repair allowance to rebuild or repair the remaining portion.</p> <p>If APs need to relocate to new land in order to rebuild structures, they are entitled to a transition subsistence allowance and a transport allowance.</p> <p>Additional assistance will be provided for vulnerable households as described further below.</p>	<p>Adequate time will be provided for APs to rebuild/ repair structures.</p> <p>Affected houses and shops that are no longer viable are those whose remaining portion is no longer usable and/or habitable. There will be no deductions for depreciated value of affected structures or for salvaged materials.</p>
Tenants, including residential and business tenants		
	<p>In the case of partially affected structures, tenants may remain with permission of the owner.</p> <p>If tenants must relocate, they will receive a cash allowance equal to the current rental amount for a transition period of three (3) months and a moving allowance and any transport costs.</p>	<p>A need to move could be driven by environmental conditions such as noise / dust.</p> <p>Need to move is based on a technical assessment by a third party with the endorsement of ADB.</p>
LOSS OF LIVELIHOOD		
Permanent Loss of livelihood/source of income		
Business owners/lease holders/tenants/employees/agricultural workers/vendors		
	<p>Cash compensation for lost income based on 3 months of actual income (as determined through interviews, consultations and tax declarations) or minimum wage rates, whichever is higher.</p> <p>First priority to participate in Project employment opportunities.</p>	To be reassessed during detailed design and updated for actual loss and actual income.

TYPE OF LOSS	ENTITLEMENTS	IMPLEMENTATION ISSUES
	<p>Participation in income restoration program for severely affected households as provided for in the subproject, including provision of skills training where requested.</p> <p>Additional assistance for vulnerable households as described further below.</p>	
Temporary loss of business income		
APs with businesses that are disrupted temporarily and not displaced (including salaried employees of affected businesses)		
	<p>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 (over 5 days)that business activity is disrupted by closure due to project activities such as construction</p> <p>Restoration of affected land, structure, utilities, common property resources.</p>	To be reassessed during detailed design and updated for actual loss and actual income.
LOSS OF CROPS AND TREES		
Standing crops and trees		
All APs regardless of land use rights		
	<p>Notice to harvest annual crops, if possible.</p> <p>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.</p> <p>For productive trees, (Rubber, fruit, nut etc) cash compensation at replacement cost equal to current market prices given the type, age and productive capacity at the time of compensation (e.g. rubber trees 5 years of productive capacity dependent on prime mature age)</p> <p>For timber trees, cash compensation at replacement cost equal to current market prices based on types, age and diameter at breast height of trees.</p> <p>In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.</p>	Even where trees are found in the ROW they need to be compensated for
LOSS OF COMMON PROPERTY RESOURCES		
Villages, village authorities, mass organizations		
	<p>Affieldings and structures will be restored to original or better condition in the case of damage as a result of project activities.</p> <p>Community resources such as streams, grazing land, fish ponds would require replacement or rehabilitation in the event of damage</p>	This is the responsibility of the contractor and all costs related to any anticipated impacts such as damage to communal property
REHABILITATION ALLOWANCES		
Transition subsistence allowance		
APs that relocate and rebuild house and/or shop on residual or new land; APs that lose 10% or more of their productive land		
	Relocating APs with <u>main income source affected</u> OR APs <u>losing 10% or more of productive land</u> : a cash allowance and/or in-kind assistance equal to 16 kg of rice per household member for six (6) months.	Cash allowance or in-kind assistance will be provided at to impacted APs.
Transport allowance		
APs that relocate to new land to rebuild house and/or shop		

TYPE OF LOSS	ENTITLEMENTS	IMPLEMENTATION ISSUES
	Assistance in cash or in-kind to move structures, salvaged materials, new building materials and personal possessions to new site.	Salvageable materials remain the property of the AP.
Repair allowance		
APs who do not have to relocate but have to rebuild house/structure/shop		
	Assistance in cash up to the minimum daily wage for the number of days it takes to do the repair.	Not applied if Project undertakes repairs.
ADDITIONAL ASSISTANCE FOR VULNERABLE APs		
Economically vulnerable APs (poor, landless, women- and elderly- and disabled-headed households without additional means of support) regardless of severity of impact		
	<p>A supplementary subsistence allowance equal to 16 kg of rice per household member for two (2) month.</p> <p>First priority to participate in Project employment opportunities.</p> <p>First Priority to participate in VEI measures at household levels, possibly combined with additional support (pipes, construction material etc.)</p>	Economically vulnerable APs include those that fall below the poverty line; female-, elderly-, and disabled-headed households without other means of support; and landless.
Severely affected vulnerable APs		
Vulnerable APs that are severely affected by (i) relocation of house/ shop or (ii) loss of 10% or more of productive land		
	<p>A supplementary subsistence allowance equal to 16 kg of rice per household member for two (2) month.</p> <p>Eligible to participate in income restoration program as provided for subproject.</p> <p>Contractors will make all reasonable efforts to recruit severely affected and/or vulnerable APs as labourers for civil works.</p> <p>Participation in income restoration program</p>	<p>Vulnerable APs, designated poor⁶ households, and households headed by women, the elderly or the disabled.</p> <p>This allowance is in addition to any other compensation or allowances to which these APs are entitled.</p>

⁶ Prime Minister Decree 285. October 2009. Decree on Poverty and Development Criteria providing the poverty line at 180,000 kip per person/month in rural areas, and 240,000 kip per person/month.

4 RESETTLEMENT PLANNING AND IMPLEMENTATION

50. This updated LACF for additional financing is the basis for all subprojects with regard to LARC requirements. For each subproject a review of LARC related items and aspects shall take place during each subproject phase:

- i. Firstly, the study phase where LARC related matters are initially mapped through preliminary surveys and assessed, and appropriate planning documents prepared.
- ii. Secondly, the implementation phase where both impacts are reviewed, confirmed and mitigation measures are planned in detail, so that they can be prepared and carried out before construction (detailed design and tendering) and completed during construction phase. Some of the mitigation measures have to be completed before the start of construction, such as relocation, provision of residential (compounds for households, etc.) and productive land (agriculture, forest, fishponds, etc.) with livelihood support. They aim all in achieving a sustainable status of new living conditions of subproject affected families. Some mitigation measures will be provided both before and during construction stage and might require a limited continuation in the operation phase.
- iii. Thirdly, the operation phase, which started already by testing/checking the functionality of the rehabilitated/new infrastructure during commissioning and then put into final use. This is leading to final changes to be monitored and evaluated.

Table 7. Overview of LARC Aspects in Subproject Phases

Phase	Stage		Land Acquisition Resettlement & Compensation	
			Arrangements	Changes
▶ Study	1	Subproject Selection	Probable	Predicting & Planning of Impacts; Preparations of Safeguards documents
	▼			
	2	Feasibility Study	Preliminary & Proposed	
▶▶ Implementation	▼			Implementation of Mitigation Measures (M&E)
	3	Detailed / Tender Design	Updated & Agreed	
	▼			
	4	Construction / Rehabilitation Works	Temporary & Permanent	
▶▶▶ Operation	▼			Impacts & Benefits (M&E)
	5	Commissioning	Completed	
	▼			
	6	Use & Maintenance		

51. The LARC related planning stage of a subproject feasibility study will produce a plan based on preliminary surveys. The Updated LACP will be based on a DMS as per approved detailed engineering design of the subproject. The Updated LARP will be implemented thereafter and shall be completed prior to the start of construction.

A. Stages 1 and 2: Subproject Selection and Feasibility Study

1. Content of Resettlement Plan

52. In case of impacts a LACP will be prepared. Its executive summary would contain:
- (i) Number of APs and extent of losses.
 - (ii) Policies and legal framework applicable.
 - (iii) Arrangements made for asset valuation, compensation, relocation, rehabilitation and environmental protection.
 - (iv) Responsibilities in delivering and monitoring entitlements.
 - (v) Costs.
 - (vi) Time frame for land acquisition and resettlement measures.
 - (vii) Consultation and grievance mechanisms for APs.
53. Each LACP will include all the essential elements and objectives, policies and strategies mentioned in the ADB's Policy on Involuntary Resettlement that includes:
- (i) Organizational responsibilities.
 - (ii) Community participation and integration with host populations.
 - (iii) Census, inventory of lost assets and socio-economic survey.
 - (iv) Legal framework, including mechanisms for resolution of conflicts and appeals procedures.
 - (v) Identification of alternative sites and selection.
 - (vi) Valuation of and compensation for lost assets.
 - (vii) Land ownership, tenure and acquisition, and transfer.
 - (viii) Infrastructure and social services.
 - (ix) Environmental protection and management.
 - (x) Implementation schedule.
 - (xi) Monitoring and evaluation.
54. A RP shall follow the following table of content as outlined in ADB's SPS (2009):
- (i) Executive Summary.
 - (ii) Project Description.
 - (iii) Scope of Land Acquisition and Resettlement.
 - (iv) Socio-economic Information and Profile.
 - (v) Information Disclosure, Consultation, and Participation.
 - (vi) Complaints and Grievance Redress Mechanisms.
 - (vii) Legal Framework.
 - (viii) Entitlements, Assistance and Benefits.
 - (ix) Relocation of Housing and Settlements.
 - (x) Income Restoration and Rehabilitation.
 - (xi) Resettlement Budget and Financing Plan.
 - (xii) Institutional Arrangements.
 - (xiii) Implementation Schedule.
 - (xiv) Monitoring and Reporting.

2. Content of Due Diligence Report

55. In cases of no adverse impacts mainly on households and communes a Due Diligence Report (DDR) will be prepared. Each DDR will include only major elements and objectives, and policies and strategies mentioned in the ADB's Policy on Involuntary Resettlement that includes:

- (i) Features and impacts of subproject.
- (ii) Consultation and grievance mechanisms for APs.
- (iii) Organizational responsibilities.
- (iv) Implementation.

56. A DDR shall follow the following table of content as outlined in ADB's SPS (2009):

- (i) Executive Summary.
- (ii) Project Description.
- (iii) Scope of Land Acquisition and Resettlement.
- (iv) Information Disclosure, Consultation, and Participation.
- (v) Institutional Arrangements.
- (vi) Implementation schedule.

3. Selected Tasks for Resettlement Planning

57. Resettlement planning will run in parallel with other interdisciplinary disciplines of the feasibility study. Complementary the LARC related activities at that stage have to be performed.

4. Infrastructure Planning and Design

58. The engineers will prepare initial layouts for proposed rehabilitation of existing and/or construction of new infrastructure. This would be the basis for the technical and physical planning of rehabilitation and construction works under the proposed subproject. During the preparation of such design options first feedback during site visits can be collected from residents of the subproject's villages. These feasibility designs have to be reviewed from a LARC planning perspective to identify potential land compensation and resettlement impacts of the proposed subproject scope. The expected outcome of this stage is refining the subproject physical design at feasibility level to avoid or minimize, as far as possible, the resettlement impacts and effects of the proposed subproject's rehabilitated and/or new infrastructure.

5. Initial Consultation with Potentially Affected Households

59. The initial consultation would have to serve different purposes. In general, the communes and their villages in the subproject area have to be informed about the project and subproject concerning overall objectives and goals, but also current status indicating the requested participation during the design stage concerning their own interest and preferences to be considered by the feasibility study.

60. With regard to LARP aspects, potential effects on compensation and resettlement of the subproject will be brought up for discussion in a meeting with the community and residents who would be affected by the proposed rehabilitation or construction of infrastructure under the subproject. The meeting will seek to clarify the following key issues: (a) the justification of the proposed subproject rehabilitation or construction works considering their anticipated resettlement impacts; and (b) compensation and mitigation measures for AHs; and (c) assistance

from the community or the district administration to plan, agree and implement this support for those AHs. The consultations should also cover the communes' and villages' views on measures to mitigate the anticipated impacts including compensation.

6. Inventory of Loss (IOL) Survey

61. Potential impacts of subprojects are determined through IOL surveys and census of all households potentially directly or indirectly affected by permanent acquisition of fixed assets, conducted in parallel with the LARP's SES. At this stage more quantitative and qualitative data and information on compensation and resettlement would be gathered, based on both visual observation and information collected from the community and potentially AHs.

62. The IOL covers all fixed assets (i.e., lands used for residence, commerce, agriculture including ponds; dwelling units; stalls and shops; miscellaneous structures such as fences, tombs, and wells; trees with commercial value; crops; etc.) located in the subproject construction area (e.g. the corridor of impact for pipe networks) will be identified, tagged, measured, their owners identified. Likewise, the severity of impact on the affected assets and the severity of impact to the livelihood and productive capacity of persons affected by such losses will be determined. Information on the affected households, such as sources of livelihood, income level, and ownership of productive assets will also be gathered as part of the IOL. The cut-off-date for eligibility will be the announcement of the subproject and the IOL survey. Affected households will be informed of the cut-off-date in prior consultations and will be included in materials disclosed.

7. Socio-Economic Survey of Potentially AHs

63. Socio-economic information of AHs will be obtained through a socio-economic survey (SES). The SES will serve as a referenced baseline of AH living conditions and will form part of the monitoring and evaluation data that will assess the extent to which the measures in RPs are effective in mitigating land acquisition and resettlement impacts.

64. The SESAH shall be conducted in parallel with or directly after the IOL survey so that the IOL and census survey of potential APs will be carried out as in the context of the social assessment, this will include gender disaggregated data. The SESAH is carried out in addition to the SES which provides the baseline data and information on the affected and benefitting villages of subprojects. The SES results can also be taken for permanent and temporary LARC related purposes. The SESAH should include the socio-economic data of the APs and a record of accurate measurements of type and level of loss.

65. ADB's Handbook on Resettlement (1998) suggests collection of the following data on APs:

- (i) Total number of APs.
- (ii) Demographic, education, income and occupational profiles.
- (iii) Inventory of all property and assets affected.
- (iv) Socio-economic production systems and use of natural resources.
- (v) Inventory of common property resources if any.
- (vi) Economic activities of all affected people, including vulnerable groups.
- (vii) Social networks and social organization.
- (viii) Cultural systems and sites.

66. It also suggests the following data should be collected on land and area:

- (i) Map of the area and villages affected by land acquisition.

- (ii) Total land area acquired for the proposed project.
- (iii) Land type and land use.
- (iv) Ownership, tenure and land-use patterns.
- (v) Land acquisition procedures and compensation.
- (vi) Existing civic facilities and infrastructures.
- (vii) Cultural systems and sites.

67. The LARP related SES covers a sample of all potential AHs. However, the overall SEBS including gender and indigenous people of villages in the subproject area is separately carried out by a different feasibility study component. The same situation applies to the initial environmental examinations.

8. Replacement Cost Survey

68. In parallel with the above surveys, the replacement cost survey (RCS) would have to be conducted by a consultant and/or agency accepted by ADB. The RCS has to

- (i) Elaborate on current costs for constructing, rehabilitating and/or replacing fixed and moveable assets. This includes land valuation based on selling and buying record.
- (ii) Verify current costs for construction materials.
- (iii) Collect market prices for agricultural production and products.
- (iv) Prepare an assessment for income support measures, relocation support payments, and allowances concerning vulnerable AHs.

69. The RCS will use the collected data for calculating current market price/value of all affected items identified by DMS and establish unit cost for compensation for each affected items. A report including proposed unit cost for compensation and mitigation support and allowances will be incorporated into the LARP, which has to be submitted to ADB for review and approval.

B. Stage 3: Detailed Engineering Design

70. The detailed engineering design (DED) for the six subprojects will take place under two different approaches:

- (i) For all site (area) related infrastructures, such as water intake, water supply or wastewater treatment plant, and septage area, and for one alignment related construction (raw water transmission main) along a public RoW, the ADB's Standard Bid Documents (SBD); Plant - Design, Supply and Installation will be applied. For the related corridors of impacts (COIs) land acquisition has or can be completed before or at the beginning stage of the construction phase.
- (ii) For all other construction in the public ROW (trunk mains, conveyance and collector pipelines, pump stations and pump pressure mains and household connections as well as water supply reticulation network) ADB's SBD; Large Works, using FIDIC Conditions of Contract will be followed. For the related corridors of impacts (COIs) land acquisition requirements will have to be reviewed after final alignments of pipes will have been defined by the DED. Only then the Updated RP can be prepared.

71. In general, DDRs have to be confirmed and RPs updated at that stage of the project implementation phase.

1. Content of Updated Resettlement Plan

72. The items to be summarized and the 11 essential elements and objectives, policies and strategies as prepared already in the feasibility study remain the same, but having incorporated reviewed, checked and updated information and data needed. The structure in 14 chapters of the report remains the same as used for the RP.

73. The table of content remains unchanged.

2. Selected Tasks for Updated Resettlement Preparation

74. The updated resettlement preparation will run in parallel with the DED stage. The LARC related activities have to be performed and completed at that stage. Updating of RPs will involve the following tasks.

3. Tender Design

75. The subproject's RPs will be updated after the completion of the DED. A final review of design adjustments will take place to take into account both possible modification in the engineering and design concerning the rehabilitation of construction of existing and new infrastructure respectively, but also last adjustments in land requirements and acquisition. This will allow that final LARP related preparation will be limited only to those households finally affected by the subproject through land acquisition concerning physically and economic resettlement.

4. Consultation with AHs

76. In parallel with the DMS the consultations with displaced persons shall take place.

5. Detailed Measurement Survey

77. A detailed plan of infrastructure to be rehabilitated and/or constructed will be prepared and used as a basis for detailed topographical surveys. Depending on the availability of data and information of the infrastructure, a DMS will be carried out by the resettlement working group. The PIUs will help coordinate this task with the project implementation advisory consultant. It will also have an internal monitoring role.

78. The DMS will collect additional data to firm up and verify the details on affected people and relevant information presented in the RP. The DMS will survey 100% of AHs and collect data required to verify the details of APs for finalizing the Updated RP, including details on:

- (i) Landownership.
- (ii) Total landholdings and tenure.
- (iii) Land, structures and other assets entirely or partially affected by land acquisition for the subproject.
- (iv) Types and conditions of affected structural buildings.
- (v) Land prices.
- (vi) Number and types of trees and crops.
- (vii) Income losses and proportion of total productive income lost.
- (viii) Affected livelihoods and the required restoration activities as well as associated costs for land for resettlement of displaced people and development costs.

- (ix) Category of affected people.
- (x) List of activities proposed under other components that APs will benefit from.
- (xi) Others.

79. Conducting the DMS is a major part of updating the resettlement planning. Updating the feasibility study RPs has to reflect the DMS results and the results of negotiations with the APs. The Updated RP will update the cost estimates and refine the approach and measures and actions proposed in the draft RP. The Updated RP will be submitted to I ADB for review and approval. Land acquisition, compensation and relocation of APs cannot commence before the approval of the updated RP by ADB.

6. Replacement Cost Survey

80. To determine current market prices for (a) agricultural, residential and commercial land; (b) different types of structures; and (c) crops and trees. The RCS has also to cover mitigation measures concerning loss of income, relocation support and allowances. Depending on the actual implementation phase and the provision of compensation payment and mitigation support, the RCS in the subproject areas might have to be updated annually. The RCS results will be the basis for estimating resettlement costs.

7. Selected Tasks for Resettlement Implementation

81. The implementation of the RP will involve the tasks outlined below, but also as indicated for the construction phase and in the chapters 'Grievance Redress Process' and 'Monitoring and Evaluation'.

8. Compensation Payment

82. The Provincial Department of Economy and Finance (PDEF) will make compensation payments to AHs. This should be done via bank transfers in general by a subproject where feasible for transparency reasons and/or specifically requested by an AH. This activity will be observed by an external monitor.

9. Relocation

83. There is no relocation of potential Affected People anticipated for all subprojects as subprojects with APs will be excluded during the subproject screening procedures.

10. Income Restoration

84. Income restoration (Where required) will be implemented as part of RP through support payments and/or income mitigation measures to AHs. The IAs and PIUs will oversee and monitor the implementation and report upon the restoration of livelihood after compensation and support payments and/or income mitigation measures are provided.

C. Stage 4: Construction - Rehabilitation Works

1. Content of Updated Resettlement Plan

85. The resettlement activities will be coordinated with the civil works schedule. Civil works contractors will not be issued a notice-to-proceed until (i) compensation of AHs have been

satisfactorily completed; (ii) agreed rehabilitation assistance is in place; and, (iii) the site is free of all encumbrances.

2. Consultation with AHs

86. During construction phase the consultations with AHs shall be a continuous process strongly related to the implementation of mitigation measures and M&E activities take place.

3. LARP Related Monitoring and Evaluation

87. LARP related performance M&E to be carried out regularly during construction stage.

88. LARP related impact and benefit M&E to be carried out regularly during construction stage.

4. Mitigation Measures

89. Results from M&E are to be incorporated into ongoing mitigation measure and support to AHs during construction as agreed in the LARP or as found necessary during implementation.

D. Stage 5: Commissioning

1. First Use and Actual Impacts

90. During the defined defects liability periods of subprojects, the commissioning of rehabilitated and/or new infrastructure will physically show real impacts on resources and people. There is a need to observe and measure changes.

E. Stage 6: Operation

1. Completion or Extension of Support Measures

91. Depending on the results of M&E either completing or continuing support measures if proven necessary to mitigate adverse impacts still remaining.

92. The LARC related planning stage of a subproject feasibility study will produce a preliminary Land Acquisition and Compensation Plan (LACP) based on preliminary surveys. After approval of such a draft LACP, it shall be updated and submitted to ADB for final approval. The final LACP will be based on a DMS as per approved detailed engineering design of the subproject. The final LACP will be implemented thereafter and shall be completed prior to the start of construction.

4.1 Subproject Selection

93. Any subproject will be screened and prioritized before finally proposed as a subproject of this Project.

94. The purpose of subproject screening is to determine, as early as possible during the subproject Feasibility Study, whether the candidate subproject conforms to agreed Project eligibility criteria, specifically that the resettlement effects are limited. Note that the term "resettlement effect" includes all the impacts on loss of crops and incomes in addition to physical and economic displacement of APs. The PIUs will use the screening and categorization form in Attachment 1 to determine the nature and significance of resettlement effects.

95. An eligible subproject (limited resettlement impacts) is one where the number of people experiencing significant impacts is less than 200 people in the following categories:

- (i) The loss of productive land is 10% or more of the total productive land holdings of each affected person (AP).
- (ii) The loss of other income generating sources such as business income is 10% or more of total income sources of each AP.
- (iii) Relocation of residence and/or shop because remaining land and/or structure is no longer viable.

96. The screening will be conducted based on (i) site visits, (ii) meetings with district and village officials and (iii) consultations with people living or using land in the subproject area. Based on the proposed scheme and land requirements for water intake, treatment and storage facilities as well as water transmission and distribution systems, the PIU will make a preliminary determination of the land acquisition and resettlement impacts.

97. If the resettlement impacts exceed the threshold for limited impacts, the PIU in collaboration with the PCU and project consultants will review the subproject design to determine whether changes can be made to reduce the level of impacts to an acceptable level. For example, use of public land rather than private land, realignment of transmission and distribution pipes to use existing ROW and/or to avoid structures. In addition, as required, the PIU and DRC will consult with village officials and APs to discuss ways to minimize land acquisition and resettlement impacts to acceptable levels.

98. In conjunction with the subproject screening, the PIU, DRC and village committees will organize public meeting(s) in the subproject area. The purpose of the meeting(s) is to inform people about:

- (iv) the subproject and its eligibility for inclusion in the WSSP,
- (v) the likely land acquisition and resettlement impacts and
- (vi) procedures for preparation of the subproject LACP including the DMS and future consultations.

4.2 Feasibility Study

4.2.1 Content of Land Acquisition and Compensation Plan

99. A LACP is prepared for each subproject with land acquisition and resettlement impacts. A draft LACP is prepared during the Feasibility Study based on preliminary engineering design and, as required, is updated to be a final LACP following detailed engineering design. The LACP is also updated if, during implementation of the subproject, there are significant changes in siting, design or other characteristics of the subproject that have resettlement impacts.

100. The LACP will be prepared by the PIU in collaboration with the DRC and with the support and assistance of the project consultants. The process of LACP preparation will be participatory, involving village committees, mass organizations, APs and other stakeholders in a series of public information meetings and other consultations. The PCU will guide, supervise and monitor the preparation of the LACP with assistance from the IEM.

101. A LACP shall follow the table of contents as outlined in ADB's SPS (2009):

Table 8. Outline of Land Acquisition and Compensation Plan

Topic	Contents
Executive Summary	<ul style="list-style-type: none"> • A concise statement of project scope, key survey findings, entitlements and recommended actions
Project Description	<ul style="list-style-type: none"> • A general description of the project and location, project components that result in land acquisition and/or involuntary resettlement.
Scope of land acquisition and resettlement	<ul style="list-style-type: none"> • Alternative options, if any, considered to minimize land acquisition and its effects, and why the remaining effects are unavoidable. • Summary of key effects in terms of land acquired, assets lost, numbers of people affected, and socio-economic data
Socio-economic Information and Profile	<ul style="list-style-type: none"> • Results of the social impact assessment, the census survey, and other studies, with information and/or data disaggregated by gender, vulnerability, ethnic group and other social groupings
Information Disclosure Requirements and Participatory Approaches	<ul style="list-style-type: none"> • Identification of project stakeholders. • Activities for the disclosure of project Information • Consultations • Mechanisms for stakeholder participation in planning, management, monitoring, and evaluation • Discussion of potential role of civil society groups, NGOs, Community-based organizations • Confirmation of disclosure of LACP to people affected
Grievance Redress Mechanisms	<ul style="list-style-type: none"> • Mechanisms for resolution of conflicts and appeals procedures and how they are accessible to affected persons, gender sensitive, and culturally-sensitive
Legal Framework	<ul style="list-style-type: none"> • Borrower's policy and legal framework for resettlement, with any gaps in this framework as compared to ADB policy and how gaps will be addressed • Legal and policy commitments of borrower • Principles and methodologies for determining compensation • Land acquisition process and schedule
Entitlements, Assistance and Benefits	<ul style="list-style-type: none"> • Displaced persons' entitlements and eligibility, and resettlement assistance measures (including entitlement matrix); • Assistance to vulnerable groups, including women, and other special groups • Opportunities for affected persons to derive appropriate development benefits from the project.
Relocation of Housing and Settlements	<ul style="list-style-type: none"> • Options for relocating houses and other structures • Details on relocation sites • Timetable for site preparation and transfer • Legal arrangements for tenure • Relocation assistance • Methods for integration into new community
Income Restoration and Rehabilitation	<ul style="list-style-type: none"> • Assessment of livelihoods risks • Options for restoring all types of livelihoods • Special methods to support vulnerable groups
Resettlement budget and financing	<ul style="list-style-type: none"> • Itemised budget for all resettlement activities • Funds flow arrangements and sources of funds for resettlement costs • Justification for financial assumptions for compensation
Institutional framework	<ul style="list-style-type: none"> • Main tasks and responsibilities in planning, managing and monitoring land acquisition and resettlement. • Information on institutional capacity building plan and training if required • Roles of NGOs and other representative organisations • How women's groups are involved in resettlement planning and management
Implementation schedule	<ul style="list-style-type: none"> • Detailed, time bound schedule of actions for all key rehabilitation and resettlement activities, including synchronisation with civil works construction.

Topic	Contents
Monitoring and evaluation	<ul style="list-style-type: none"> • Arrangements for M&E. • Participation of APs in monitoring process • Reporting processes and timing.

102. In most Project provinces the Project Implementation Unit (PIU) will be responsible for implementing two subprojects within the province. Depending on the timing of subproject implementation, the PCU may authorize the PIU to prepare a single LACP for two subprojects. In this instance, the LACP will be organized with separate sections for each subproject to provide subproject-specific information such as (i) the scope and extent of land acquisition and resettlement impacts, (ii) the socio-economic profile of APs and vulnerable APs, (iii) compensation and rehabilitation strategies, (iv) consultations carried out during preparation of the LACP and (v) cost estimates and implementation schedule. When the PIU prepares a LACP for more than one subproject, the PIU will work with a DRC that has been established in each of the subproject areas. The PIU, through the PCU, shall seek prior agreement from ADB before commencing preparation of a single LACP covering more than 1 subproject.

4.2.2 Documentation of Public Land

103. When public land and/or rights-of-way are used to site and develop facilities for the proposed water supply system, the subproject LACP will document (i) the land use designation of the land, (ii) the government level/agency responsible for management of the land and (iii) whether the land and/or use of the land has been allocated to any individual or organization. The PIU will consult with district and other relevant authorities, and obtain a written confirmation of the status of the land that will be attached to the LACP.

104. All public land will be included in the AP census and detailed measurement survey (see next section) to validate all use rights and entitlements for compensation.

105. Due diligence must be carried out to ensure that users of public land are included as affected households.

4.2.3 Data Collection

106. The LACP is based on primary data collected from APs and other stakeholders in the subproject area, in order to document in detail the land acquisition and resettlement impacts.

- (i) AP census: Data on 100% of the affected people (APs) including the name and address of the affected individual, household head, public institution and/or private organization, and other basic identification information.
- (ii) Detailed Measurement Survey (DMS): Data collected from 100% of APs during preparation of the updated, final LACP, on the types, extent and severity of losses of public, private and community land and other assets due to land acquisition for the Project. The DMS is conducted following detailed engineering design and demarcation on the ground of the required land.
- (iii) Socio-Economic Survey (SES): A sample survey of at least 10% of all APs and 100% of severely affected APs disaggregated by gender and ethnicity. The purpose of the socioeconomic survey is to provide baseline data on households to assess resettlement impacts, and to be sure proposed entitlements are appropriate, and to be used for

resettlement monitoring. The SES is generally carried out at the same time as the census and DMS.

- (iv) Replacement Cost Survey (RCS): Data to determine compensation rates for the range of affected land, structures, crops, trees and other assets based on current market prices in the subproject area. Replacement costs are estimated during the preparation of the LACP but a full RCS will be done to obtain accurate costs to update the LACP following detailed design and final preparation of the LACP.

Table 9. Surveys for LACP Preparation

No.	WSSP Principles
DMS, including	<p>The census and DMS of lost assets will collect data on the affected assets from 100% of APs following detailed engineering design during preparation of the update/final LACP. The data collected during the DMS will constitute the formal basis for determining AP entitlements and levels of compensation. For each AP, the scope of the data will include:</p> <ul style="list-style-type: none"> • Total and affected areas of land, by type of land assets; • Total and affected areas of structures, by type of structure (main or secondary); • Legal status of affected land and structure assets, and duration of tenure and ownership; • Quantity and types of affected crops and trees; • Quantity of other losses, e.g., business or other income, jobs or other productive assets; estimated daily net income from informal shops; • Quantity/area of affected common property, community or public assets, by type; • Data on AP households, household size, ethnicity, name and sex of head of household, primary and secondary source of household income viz-a-viz poverty line, income level, livelihood/occupation, whether household is headed by women, elderly, disabled, poor or indigenous peoples; • Identify whether affected land or source of income is primary source of income; • AP knowledge of the subproject and preferences for compensation and, as required, relocation sites and rehabilitation measures.
Socioeconomic Survey	<p>At a minimum, SES will collect information from a sample of 10% of affected people and 100% of severely affected APs, disaggregated by sex and ethnicity. The purpose of the SES is to provide baseline data on APs to assess resettlement impacts, and to be sure proposed entitlements are appropriate, and to be used for resettlement monitoring. The scope of data to be collected includes:</p> <ul style="list-style-type: none"> • Household head: name, sex, age, livelihood or occupation, income, education and ethnicity; • Household members: number, livelihood or occupation, school age children and school attendance, and literacy, disaggregated by sex; • Living conditions: access to water, sanitation and energy for cooking and lighting; ownership of durable goods; and • Access to basic services and facilities.
Replacement Cost Survey	<p>The RCS will be done in parallel with IOL and DMS activities by collecting information from both secondary sources and primary sources (direct interviews with people in the affected area, material suppliers, house contractors), and from both those affected and those not affected. The government rates will be adjusted, as necessary, based on the findings of a RCS. Compensation rates will be updated annually to ensure that APs receive compensation at replacement cost at the time of compensation payment.</p>

107. The PIU will work with the District Resettlement Committee (DRC), the village development committees and other local authorities to collect the data. Throughout the fieldwork, the PIAC will provide support and the Independent External Monitor (IEM) the implementation of the approved LACPs and to ascertain that compensations have been made to the APs; and, to assess whether AHs are able to restore their living conditions, livelihoods and incomes to pre-subproject levels and, if not, to recommend remedial actions to assist AHs. All data collection and analysis for the DMS and SES will disaggregate data by sex and ethnicity and assess the existing gender, poverty and minority ethnic group conditions in the subproject area, as well as how these vulnerable groups are impacted by land acquisition.

108. APs will be notified by the PIU, DRC and village development committees at least two (2) weeks in advance of the beginning of the data collection, by letter and/or in a public meeting and with public notices posted in the subproject villages. APs will be requested to be available and participate in the surveys.

4.2.4 Subproject Database

109. All data from the census, DMS and SES will be entered into a computerized database. A single file will be created for each subproject, with separate worksheets for each subproject output with land acquisition impacts. The PIU and PCU will ensure that the database is maintained for the duration of the subproject implementation. The database will be updated (i) to include additional APs and/or losses, for instance, if the LACP is updated following detailed engineering design or other design changes; and, (ii) to record compensation costs and payments as made to APs.

4.2.5 Endorsement and Approval of sub projects of LACP

110. The PIU will update the draft LACP, incorporating the comments and suggestions made by APs. The updated LACP will be produced in Lao and, as appropriate, local languages.

111. The PIU will submit the draft LACP to PCU. Following a review that the LACP complies with Project policies and procedures, the PCU will submit the draft LACP to the PRC for formal endorsement.

112. The PRC-endorsed LACP will be submitted to ADB for approval prior to appraisal of the subproject. The documents will be disclosed in accordance with ADB's Public Communications Policy to the affected communities and on ADB's website.

4.3 Updating the LACP

113. The draft LACPs prepared during the subproject Feasibility Study will be updated following the completion of detailed engineering design following the steps outlined above. In addition, if during the implementation of any subproject there are major changes to the siting, design or other characteristics of the subproject that affect land acquisition requirements, the final LACP will be updated to reflect these changes.

114. For all final LACPs, the DMS and a replacement cost survey will be carried out. A new SES will be carried out if the updating of the LACPs does not commence within two years as demographic and socio-economic factors may change significantly. It is essential to update information on (i) the type, extent and severity of losses, (ii) entitlements to compensation and/or rehabilitation, (iii) compensation rates and costs based on updated replacement costs and (iv) rehabilitation strategies and costs for severely affected and vulnerable APs.

115. Updated LACPs will be reviewed by the PCU and endorsed by the PRC and submitted to ADB. Once endorsed by ADB, they will be disclosed.

4.4 Implementation of Land Acquisition and Compensation Plan

116. Land acquisition, compensation and relocation of APs cannot commence until ADB has reviewed and approved the final LACP.

117. Following ADB approval of the final LACP, the PCU has the authority to coordinate the start of land acquisition, compensation and resettlement activities. During implementation of the final LACP, the PCU in collaboration with the PIU will submit progress reports to ADB as part of Project performance monitoring.

118. 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) agreed rehabilitation assistance is in place; and, (iii) the site is free of all encumbrances.

119. The PCU will submit a compensation completion report to ADB when these conditions have been met a notice to proceed will be issued.

4.5 Livelihood Restoration

120. Livelihood/income restoration program will be designed and implemented as part of the LACP to ensure that the standard of living of severely affected APs will be restored to at least pre-project conditions. The PIU and PCU will oversee and monitor the implementation.

5 CONSULTATION, PARTICIPATION AND DISCLOSURE

121. During the study, implementation and operation phases the consultation, participation and disclosure activities form a continuous process. Concerning LARC aspects, this process orientates its actions towards the planning and implementation as defined and described in the RPs and DDRs of subprojects. It will require the cooperation and coordination between resettlement committee/s and staff of ministries and authorities at provincial, district commune and village levels. The consultation, participation and disclosure will focus on the subproject villages including both AHs and not-affected households and families.

A. Consultation

1. Principles to Apply

122. Public consultation is an approach for managing two-way communication between project proponent and the public aiming at improving decision-making and initiating an understanding through active involvement of affected individuals and groups. Community consultation relates to different activities of which most are part of a resettlement planning approach. It includes, but is not limited to:

- (i) Information disclosure.
- (ii) Negotiation and partnerships.
- (iii) Grievance management.
- (iv) Monitoring.
- (v) Reporting.

123. They lead to the involvement of stakeholders in project planning and implementation. The consultation should include the following main features:

- (i) Access to information: adequately and timely access to subproject information for all.
- (ii) Accountability: relevant committee and the resettlement working group (RWG) should be procedurally and regularly answerable to villagers being affected or involved.
- (iii) Conflict management: conflicting interests between different groups of stakeholders require a mediating and facilitating component within the consultation strategy.
- (iv) Transparency: all subproject activities to be publicly visible including the decision-makings.

124. People affected through land acquisition and/or construction work by the subproject has to be involved in resettlement and compensation planning through consultation at village and household levels during the preparation of preliminary and updated resettlement plans. Consultation about exploring potential mitigation measures for resettlement requirements of subproject during study and implementation phases increases the chances for a joint understanding between involved governmental staff and villagers.

2. Selected Key Consultation Steps to Perform

125. The key steps shown are only some of the consultations that shall follow, and does not limit the consultation process to those ones listed below. Any formal and informal subproject

related visit and fieldwork fulfills also a consultation role contributing to the overall objective to exchange information with and establish a relation to communes, their residents and AHs.

3. Coordination Meetings

126. To ensure good cooperation there is a need for coordination meetings to initiate and prepare ministerial staff at national, provincial and district level. This concerns responsible staff involved in either the study or implementation phase and will require a briefing to them. In this context, the discussion with the Resettlement Department, Ministry of Economy and Finance (RDMEF) and PMUs/PIUS about the proposed project resettlement policy is obligatory.

127. First communication with potential villages of potential subprojects would be another major step contributing to the subproject's overall consultation strategy. As this is in most cases the first contact between villagers and subprojects these meetings are of high attention.

128. In case, the subproject's LARP activities are the first applied in this way in a district or province a briefing about the binding LARP policies is required. In case a province or district applied already or is currently applying ADB approved RFs in same or similar projects, the used compensation approaches and mitigation measures will have to be updated or could be applied at least for feasibility studies.

129. Others as needed or required by study or implementation phases.

4. Public Hearings and Announcements

130. Prior to submitting the RPs and DDRs for approval, a series of public meetings will be held in concerned communes and public announcements made at centrally located areas available to the public as well as at local governmental unit offices. The meetings will be open to all AHs and other stakeholders in the subproject area. In the case of subprojects with significant resettlement impacts, additional separate consultations with severely AHs and vulnerable groups shall be organized. The purpose of the public meeting is to provide information on (a) the objectives and benefits of the proposed subprojects; (b) the scope and requirements for land acquisition; (c) rights and entitlements; (d) compensation rates and allowances for different types of losses; (e) procedures and schedules for implementation of the RP; and (f) other relevant information about the development and implementation of the subproject. The meeting will provide opportunities and encourage all participants to ask questions, express preferences and concerns and raise other issues. A documentation of the meeting and the issues raised and discussed will be included in the RPs and DDRs.

131. Others as needed or required by study or implementation phases.

5. Discussions during LARP Related Surveys

132. In parallel with IOL and SES, consultation with APs shall continue to identify their preferences for compensation in cash or kind and any special needs to be addressed in the RP. Concerning temporary loss of assets, compensation in cash for APs can be applied. Concerning in-kind-compensation (same/similar asset-for-permanent loss of asset) alternatives were initially discussed with APs during the PPTA, but require final detailed discussion leading to agreement with the concerned APs. Concerning in-cash-compensation (cash-for-permanent loss of assets) information on market prices at replacement cost for land, crops and other assets needs to be collected from respective provincial, district, and commune or village authorities and the local

market, so that the cost estimates for the RP can be provided. The evaluation of compensation costs shall be based on values of assets as applied by: (a) the market; (b) local authorities; (c) other/similar cases; and (d) expectations from APs. Final compensation unit rates have to be agreed upon during the implementation phase of the subproject prior to their application for compensation payments.

133. Following consultations during the IOL and SES a second round of consultations shall take place, specifically with AHs. The issues to be discussed includes (a) sharing results of IOL, such as information on the types and magnitude of impacts; (b) basic resettlement principles to be used in the subproject, such as compensation at replacement cost, public participation, and grievance redress; and (c) obtaining affected household's views and suggestions regarding compensation, allowances and assistance, relocation of structures, grievance redress, and participation.

134. Others as needed or required by study or implementation phases.

6. Compensation Related Sessions

135. Where possible or requested, payments shall be carried out through bank transfers to minimize the release of cash. The AHs will also be informed in advance about the documents (letter of authority, identity card, etc.) that they will need to bring with them for compensation payment purposes. In Addition, the identity of AHs/APs will be confirmed and payment witnessed by official staff. The village authorities will inform villages of schedules for compensation and clearance for acquired land before scheduled works. The PIUs will also keep the general public as well as committees fully informed about the schedule of civil works. Public announcements will be made during village meetings.

B. Participation

1. Approach to Follow

136. Participation provides for the occasion and the process by which stakeholders influence and become co-responsible for subprojects. In particular the households' involvement in decision-making process about subprojects' actions and initiatives which will either affect them adversely or could lead to benefits. This includes collectively identified steps and measures between subproject villages and communes with ministerial staff and authorities at district and provincial levels. Participation leads to commitment and feeling of ownership for subprojects in communes and villages and their households and families.

2. Subprojects' Participatory Context

137. Community participation throughout the different subproject phases is a necessary standard procedure for this project. The engagement of villagers in planning and implementing of LARC activities and related problem-solving activities creates the identification of villagers with the subproject, builds people confidence and support establishing their relation to authorities and ministerial departments.

138. The initial consultation took place during the PPTA and its feasibility studies. Consultations with affected households will continue during updating and implementation of RPs. Particular attention will be given to the poor and other vulnerable affected households. All consultations

undertaken will be documented in drafted and updated RPs and in monitoring reports during RP implementation.

139. The consultation approach shall be based on both top-down decision and directives concerning guidelines to be agreed and approved by concerned stakeholders and shall incorporate bottom-up requirements and requests of APs, households and/or villages addressed to authorities and ministries responsible for LARC related implementation.

140. The participatory consultation process has to be transparent and results made available to all stakeholders, in particular to APs by Lao written documents and additional presentation in Lao language at village levels in resettlement related meetings.

141. A consultation plan shall be prepared during the implementation phase and agreed upon and explained to all stakeholders. The responsible stakeholder for the consultation process will have to be determined and his area of responsibility defined. The Program's monitoring approach will evaluate the consultation component of each subproject.

C. Disclosure

1. To Ensure Basics

142. In accordance with ADB Policy, the APs have been involved in initial resettlement planning and the consultation at village and household levels during the preparation of resettlement plans for the subprojects.

143. Concerning the implementation of a subproject the APs will be fully informed and closely consulted on resettlement and compensation options. The APs will participate throughout the various stages of planning and implementation of subprojects' final LARPs. They will be properly informed of all LARC activities to be carried out.

144. Disclosure will be in a form and language that they can understand in village and/or in other accessible locations. Disclosure meetings with AHs aim in discussing about LARC related status of planning and implementation.

2. Selected Relevant Actions to Achieve

145. Some expected actions the subprojects should carry out are listed below. This serves as indicative planning list and shall be reviewed during study and implementation phases and complementary actions executed as needed:

- (i) The project will ensure the public disclosure of Updated RPs including information about measurement of losses, detailed asset valuations, entitlements and special provisions, grievance procedures, timing of payments and displacement schedule.
- (ii) Updated RPs will be disclosed to affected households by posting in key locations such as village offices during public information meetings and dissemination of the public information brochure. Translated copies of the summaries or extracts of final resettlement plans will also be disseminated to each district and commune office within the subproject area and will be publically accessible.
- (iii) The RPs, DDRs, resettlement monitoring reports, and the social safeguards monitoring reports will be endorsed by PIU to ADB and uploaded on the ADB websites. Disclosure will follow ADB's Public Communication Policy, 2011.

- (iv) The APs will be fully informed by the relevant agencies related to entitlements, compensation and rehabilitation options and grievance mechanisms under the RPs. This can be in a form of a project brochure written in a language that can be easily understood by APs.
- (v) Initial disclosure meeting with AHs to discuss the results of the IOL.
- (vi) Second disclosure meeting/consultation with AHs to discuss results of DMS and discuss the resettlement policy, entitlements and relocation.

146. Others as needed or required by study or implementation phases

5.1 Information Dissemination and Consultations

147. Dissemination of information and consultations with APs will occur at different points in the preparation and implementation of the subprojects, to ensure that APs and other stakeholders have timely information about land acquisition, compensation and resettlement, as well as adequate and appropriate opportunities to participate in and express their preferences and concerns regarding the land acquisition and compensation program.

148. The PIU and DRC are responsible to organize and conduct all information dissemination and consultation activities. Much of this work will be carried out in collaboration with the VRCs and/or village development committees. In addition, the PCU and PIAC will provide continuous support. Written records will be maintained for all meetings and consultations (see Attachment 5).

149. The scope of information to be provided to APs includes: (i) description of Project and overall schedule; (ii) DMS and RCS results, (iii) policy principles and entitlements and special provisions, (iv) grievance procedures, (v) timing for payments and displacement schedule, and (vi) institutional responsibilities. The scope of consultation meetings includes:

150. A public information meeting prior to the data collection for the AP census, DMS and SES, to provide APs and other stakeholders with information regarding the scope and objectives of the subproject; the policies, principles and procedures for the LACP and resettlement activities; preliminary estimates of land acquisition requirements and resettlement impacts; and, schedules and procedures for the upcoming fieldwork. At this meeting, participants will be encouraged to ask questions and to comment on the subproject and land acquisition and resettlement requirements.

151. Consultations with severely affected and/or vulnerable APs that have been identified during the AP census, DMS and SES, 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.

152. A public information meeting prior to the completion of the draft LACP, to discuss the detailed subproject design, the results of the DMS, proposed compensation rates and entitlements, handing-over of entitlements, monitoring of impacts and benefits and resolution of complaints and grievances; and, to solicit comments and suggestions from APs and other stakeholders about the scope and provisions of the LACP.

153. The PIU, DRC and/or village development committees will ensure that APs are notified about resettlement activities, including: (i) all public meetings and consultations, at least two (2) weeks in advance; (ii) the DMS and other fieldwork, at least two (2) weeks in advance and the requirement for APs to participate in the DMS; (iii) AP entitlements and compensation amounts; and, (iv) timing and procedures for payment of compensation. The form of notification will include, as appropriate, notices

posted in villages; letters, notices or small brochures delivered individually to APs; and, radio announcements. The DRC and PIUs will be responsible for the disclosure of the LACP to the APs prior to submission to ADB. ADB will upload the draft and final LACP on ADB's website. Monitoring reports on LACP implementation and Corrective Action Plans (CAP), if any, will also be uploaded on ADB's website.

154. A Public Information Brochure (PIB) for each subproject will be updated during detailed design and distributed to APs and stakeholders. The PIB is a tool to provide information to APs and other stakeholders about the nature of the subproject, the likely land acquisition impacts, the entitlements of APs for compensation and rehabilitation assistance and the procedures for further information dissemination and consultations.

6 GRIEVANCE REDRESS MECHANISMS

155. Article 24 of Decree 84/PM requires the Project to establish an effective mechanism for grievance resolution within existing village authority structures.

156. A well-defined grievance redress and resolution mechanism will be established to resolve grievances and complaints in a timely and satisfactory manner. The objective of the grievance redress mechanism is to resolve complaints as quickly as possible and at the local level through a process of conciliation; and, if that is not possible, to provide clear and transparent procedures for appeal. All affected persons will be made fully aware of their rights, and the detailed grievance redress procedures will be publicized through an effective public information campaign.

157. APs are entitled to lodge complaints regarding any aspect of the preparation and implementation of the LACP. This also includes the VEI component as well as any unanticipated impacts that may occur during implementation. The AP complaints can be made verbally or in written form. It is recognized that in many cases, APs do not have the writing skills or ability to express their grievances verbally, however, APs are encouraged to seek assistance from the IMO, family members, village heads or community chiefs to have their grievances recorded in writing and to have access to the DMS or other documentation, and to any survey or valuation of assets, to ensure that where disputes do occur all the details have been recorded accurately enabling all parties to be treated fairly. In the case of verbal complaints, a written record of the complaint will be made during the first meeting with the AP. APs who present their complaints within the prescribed procedures will be exempt from all administrative fees incurred. In addition, APs who lodge complaints and appeals to district courts will be provided with free legal representation.

158. For the purposes of grievance redress and resolution, the Project will rely on the existing village arbitration units where they have already been established in core villages. Village arbitration units will be established in subproject areas that do not yet have existing units. The village arbitration unit generally consists of the village chief and/or deputy chief, village elders and village representatives of the Lao Women's Union (LWU), Lao Front for National Construction (LFNC), and the police; the unit is responsible for settling disputes between villagers through conciliation and negotiation. At the district and provincial levels, the district and provincial resettlement committees that are composed of concerned departments, local officials, village chiefs and mass organizations will act as grievance officers.

159. All complaints and resolutions will be properly documented by the concerned resettlement committee and be available for the public and review for monitoring purposes.

160. Safeguard monitoring reports will include the following aspects pertaining to progress on grievances: (a) number of cases registered with the Grievance Redress Committee (GRC), level of jurisdiction (first, second, and third tiers), number of hearings held, decisions made, and the status of pending cases; and (b) lists of cases in process and already decided upon may be prepared with details such as name, identification with unique serial number, date of notice, date of application, date of hearing, decisions, remarks, actions taken to resolve issues, and status of grievance (i.e. open, closed, pending).

161. ADB's Accountability Mechanism will also be explained to AHs.

162. The following procedures are proposed for management and recording of grievances during the WSSP.

Table 10. Grievance Redress Procedures

No.	Grievance Redress Procedures
1	Stage 1: In the first instance, APs will address complaints 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.
2	Stage 2: 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 (DRC). The DRC will meet with the AP to discuss the complaint, and provide a decision within 10 days of receiving the appeal.
3	Stage 3: If the AP is not satisfied with the decision of the DRC or in the absence of any response, the AP can appeal to the Provincial Resettlement Committee (PRC). The PRC will provide a decision on the appeal within 10 days.
4	Stage 4: If the AP is still not satisfied with the decision of the PRC, or in the absence of any response within the stipulated time, the AP can submit his/her grievance to DHUP. The DHUP acting on behalf of the MPWT will render within 10 days of receiving the appeal.
5	Stage 5: As a last resort, 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. Although the technical guidelines for resettlement designate this elevating of the complaint to the local mass organizations, non-benefit organizations and AP representatives, in order to ensure the availability of adequate resources to carry out this procedure, the DHUP will be responsible for forwarding the complaint and ensuring its process in the courts.

163. The Independent External Monitor (IEM) will be responsible for checking the procedures for and resolution of grievances and complaints. The IEM may recommend further measures to be taken to redress unresolved grievances.

164. Information regarding the GRM will be posted in Lao language and at relevant entry points to the project including at contractors camps and village offices.

165. All legal and administrative costs incurred by APs and their representatives throughout this process are to be covered by the Project.

166. At each stage of the grievance redress process, careful written records will be maintained. The village arbitration unit will submit reports to the DRC documenting the following: (i) the complaints as received; (ii) the names and other pertinent information about complainants; (iii) the dates of the original complaint, meetings and any other actions; and, (iv) the outcomes and/or resolution. The DRC, PRC and DHUP (or PCU acting for DHUP) will each maintain similar records for appeals that are submitted to them. The records of grievances will be included in regular progress reporting on the subproject.

7 INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION

167. The planning and implementation of land acquisition, compensation and resettlement for subprojects included in the Project involves designated roles and responsibilities of organizations at the national, provincial and local levels.

7.1 Overall Project Institutional Structure

168. The Ministry of Public Works and Transport (MPWT) will be the Executing Agency (EA) for the WSSP, with delegated responsibility to the Department of Water Supply (DWS). The national project steering committee (PSC) chaired by the Vice Minister, MPWT, which was established for the Small Towns Development Project and the Northern and Central Regions Water Supply and Sanitation Sector Project will continue to provide policy guidance and direction for this Project.

169. A Project Coordination Unit (PCU) has been established within the DWS for the Small Towns Water Supply and Sanitation Sector Project; the PCU has been expanded to enable it to also coordinate and facilitate the implementation of the WSSP. It will manage and coordinate the preparation, detailed design, procurement of goods and services and capacity building for all subprojects included in the WSSP, in consultation with provincial Project Implementation Units (PIUs) and with the assistance of the consultants. The PCU will also recruit and manage the consultants.

170. The provincial Department of Public Works and Transport (DPWT) and the PNPs will be the Implementing Agencies (IAs) in each Project province. A provincial project steering committee (PPSC) will be established to provide project direction and guidance for the subproject(s) within the province and to coordinate the work of relevant provincial and district agencies. The provincial Vice-Governor will chair the PPSC; the district Governor will be a member and provide district coordination for the Project.

171. A Project Implementation Unit (PIU) will be established under the DPWT in each Project province/district⁷. The PIU will be responsible for day-to-day coordination and supervision of subproject implementation in the Project province and district. The PIU will comprise staff from the Provincial Nam Papa (PNP) and provincial- and district-level agencies, with expertise in project management, construction coordination, contract administration, accounting, water supply systems, drainage and sanitary engineering, O&M, environmental management, community development/resettlement, and community health, awareness and participation.

7.2 Project Structure for Land Acquisition, Compensation and Resettlement

172. The PCU and PIU have key roles in the planning and implementation of land acquisition, compensation and resettlement activities. Provincial and district resettlement committees will be established for each subproject, with focal person(s) identified at village levels for active participation in design and implementation of LACPs. A resettlement workshop for provincial and district officials is part of the Project's implementation assistance and capacity building. The PIAC and IEM will provide assistance, in particular to the PIUs and resettlement committees.

⁷ In Project provinces with more than one priority district, the structure of the PIU at the provincial and/or district levels will be determined during Project implementation to fit the circumstances and timing of subproject implementation in the most efficient, effective manner.

7.2.1 Approval of LACF and LACPs

173. The government's approval of the updated LACF for additional financing and LACPs will follow its procedures as advised by (i) the PRC and DRC for the subproject; and, subsequently, (ii) the DHUP acting on behalf of the Executing Agency, MPWT.

7.2.2 Project Coordination Unit

174. Within the designated roles and responsibilities of the PCU, the following relate to planning and implementation of land acquisition, compensation and resettlement.

Table 11. PCU LACP Responsibilities

No.	PCU Responsibilities
1	Guide, support and monitor the work of the PIUs to screen land acquisition and resettlement impacts for proposed subprojects, and to prepare and implement subproject LACPs.
2	Review subproject LACPs for compliance with the updated LACF for additional financing and Project policies prior to submitting them to the PPSC for endorsement and, subsequently, to ADB for approval
3	Recruit a qualified individual consultant, firm or NGO, where necessary, before the commencement of land acquisition and resettlement-related activities (i.e., before the start of the DMS), to act as the IEM for external monitoring of WSSP subprojects which are considered complex and sensitive.
4	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.
5	Coordinate with PRC to ensure timely disbursement of Project funds including counterpart funds for payment of compensation and to provide rehabilitation assistance for affected people.
6	Oversee PIU implementation of subproject LACPs to ensure a) coordination with construction activities and b) full compensation is paid and APs relocated and c) a compensation completion report is drafted and submitted to ADB in order that a notice to proceed can be issued prior to the award of contracts for civil works and/or the clearance of land required by the subproject.
7	Establish and disseminate standard procedures to the PIUs for: (a) carrying out final census, inventory of losses and socioeconomic surveys; (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) on-going internal monitoring and review of Project, including standards on quarterly reporting against Project progress and compliance with Project policies; and, (f) coordination of land acquisition, compensation and resettlement components with construction activities for subprojects.
8	Coordinate with PIUs to ensure LACPs are disclosed to APs for transparency and for maintaining APs' participation in the process.
9	Ensure that all PCU and PIU staff working on the WSSP as well as members of resettlement committees understand and follow the objectives, principles and procedures for implementation of the agreed updated LACF for additional financing and subprojects LACPs, and provide appropriate training as required.
10	Coordinate with other ministries, government agencies, mass organizations, NGOs or other organizations to ensure efficient, effective delivery of the resettlement program and mitigation and support measures.
11	Report at regular intervals, to be agreed, to ADB on resettlement activities (e.g., in quarterly progress reports and project completion report to ADB on LACP activities).

175. The PCU will also submit to ADB within 3 months of project completion, a Project completion report which should include the following information on the implementation of resettlement plans: (i) a concise history of the involuntary resettlement aspects of the Project to completion; (ii) an evaluation of the implementation of the LACP and/or updated LACF for additional financing and involuntary

resettlement loan/grant covenants; (iii) an assessment of the EA's performance; and (iv) a summary of the external monitoring and evaluation reports, where necessary. The Project completion report should be based on the agreed resettlement planning documents (i.e. the agreed LACP), together with financial audit statements that have been approved by an independent agency. The involuntary resettlement section of the Project completion report is based on facts documented in the EA's progress reports, the EA's monitoring and evaluation reports, and review missions' back to office reports.

7.2.3 Project Implementation Unit

176. The PIU has the primary responsibility for planning, implementation and monitoring of land acquisition, compensation and resettlement activities required for subproject(s) in the Project provinces. The PIA will provide technical and capacity building assistance to the PIU to facilitate its work in these areas.

Table 12. PIU LACR Responsibilities

No.	PIU Responsibilities
1	Screen the land acquisition and resettlement impacts of all subprojects in the province to determine eligibility for inclusion in the WSSP.
2	Carry out fieldwork required to prepare the LACP for eligible subprojects, including the AP census, DMS, RCS and SESS; and, establish the AP database for each subproject.
3	Prepare and, as required following detailed engineering design, update the subproject LACP, including documentation of APs, their entitlements for compensation and assistance, rehabilitation and income restoration strategies (as required), strategies to address the needs of vulnerable APs and detailed resettlement budget and schedules.
4	Organize and carry out, in collaboration with the DRC and WATSANs, the consultation and information dissemination activities necessary to inform APs about the Project and resettlement activities and to ensure that APs and other stakeholders have adequate opportunities to express preferences and concerns about the subproject; ensure that the results of consultations are taken into consideration in the preparation and implementation of the subproject LACP; and, ensure that the LACP is fully disclosed to APs and affected communities.
5	Ensure in collaboration with the DRC and village arbitration units that all grievances are addressed and that satisfactory resolutions are reached at the village or district level or, as necessary, proper steps are taken to refer complaints to higher authorities.
6	Guide, supervise and monitor the activities of the DRC to carry activities to pay compensation, implement rehabilitation and other assistance strategies and, in general, assist APs to restore living condition, standards and incomes.
7	Ensure land acquisition, compensation and resettlement activities are coordinated with all subproject activities, in particular the start of civil works; and, report to PCU when compensation has been paid and APs relocated so that subproject sites can be cleared and contracts awarded for civil works.
8	Conduct internal monitoring of the implementation of the subproject LACP as per agreed indicators; and, prepare and submit monthly report to PCU on the progress and outstanding issues.

7.2.4 Resettlement Committees

177. Article 28 of the Decree (PM/84) on Compensation and Resettlement Management in Development Projects states that local authorities will assist the Project in various resettlement planning and implementation activities. In the WSSP area, this support will be formalized into resettlement committees established at the provincial, district and, in some instances, village levels.

178. **Provincial Resettlement Committees:** Some provinces are likely to have PRCs established for other projects. For the WSSP, the PCU will request the Governor in each Project province to extend the mandate of an existing PRC or to form a new PRC.

179. The PRC will be chaired by the provincial Vice Governor and will have representatives of the District Governor; DPWT; Department of Finance; Department of Health; and, representatives of LWU and the Lao Front for National Construction (LFNC).

180. Within the authority of the provincial government, the key responsibilities of the PRC related to land acquisition, compensation and resettlement include the following.

Table 13. PRC LARC Responsibilities

No.	PRC Responsibilities
1	Certify the official list of APs and their entitlements, based on the results of the DMS for the subproject.
2	Establish compensation rates for the subproject based on replacement costs for affected assets.
3	Manage funds disbursed from the provincial Department of Finances for disbursement to APs.
4	Endorse the draft and updated versions of the subproject LACP as prepared by the PIU and reviewed by the PCU for compliance with Project policies.
5	Hear and resolve AP grievances and complaints in instances where APs appeal the decisions taken at the district level.
6	Address any other land acquisition, compensation or resettlement issues that arise in the implementation of subproject(s) in the province or, as necessary, request guidance on policy and procedures from the PCU and/or PSC.

181. **District Resettlement Committees:** The DRC will carry out land acquisition, compensation and resettlement activities for each subproject in Project provinces. The DRC will be headed by the District Governor and will include representatives from district offices of OPWT, Finance, Planning and Cooperation and Agriculture and Forestry; chiefs of all affected villages; district representatives of the LWU, LFNC and the Youth Union; and, AP representatives including women and ethnic groups. The primary roles and responsibilities of the DRC include the following.

Table 14. DRC LARC Responsibilities

No.	DRC Responsibilities
1	Assist the PIU to screen subproject by verifying the level of land acquisition and resettlement impacts.
2	Collaborate with the PIU and participate in the fieldwork to collect data for the DMS, RCS and SES.
3	Identify and consult with APs that are eligible and wish to make voluntary contributions of affected land; collaborate with PIU and designated mass organization (e.g., LWU) during the process to negotiate and verify the voluntary contribution.
4	Prepare the official list of APs including those making voluntary contributions and/or those receiving compensation for affected assets; and, sign compensation documents identifying the entitlements and amount of compensation to be paid to each AP.
5	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 DMS; and, monitor and register new settlers in the subproject area, informing them that they are not eligible for compensation and/or rehabilitation assistance under the Project.
6	In collaboration with village development committees, 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, for example, the purpose and schedule for the DMS, proposed entitlements and compensation rates, timing and procedures for payment of compensation, proposed rehabilitation strategies, deadlines for removal from affected land, etc. The LWU and LNFC will be particularly involved in facilitating consultations with affected women and minority ethnic groups.

No.	DRC Responsibilities
7	Collaborate with PIU 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. In particular, the LWU and LNFC will be directly involved in the design and delivery of strategies to meet the needs of affected women and minority ethnic groups.
8	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 DRC to manage and record all grievances and resolutions.
9	Assist, as required, and facilitate the work of the IEM to monitor all activities related to planning and implementation of the LACP, including verification that all APs have received full compensation and, as required, relocated prior to clearance of affected land or start of civil works for the subproject.

182. The DRCs will require training in implementing LACPs beyond simple instruction. The Project Implementation Assistance Consultant (PIAC) will design and implement the necessary capacity building for the DRCs and other units involved in preparing and implementing LACPs in respective subproject towns.

183. **Other Village Committees:** The village development committees can assist the DRC and PIU to prepare, update and implement the LACP 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.

Table 15. Village Development Committee LARC Responsibilities

No.	Village Development Committee Responsibilities
1	Facilitate public information meetings and consultations with APs and other stakeholders and help to ensure village and AP awareness of WSSP policies and procedures for compensation, relocation assistance, income restoration and other rehabilitation strategies.
2	Assist in carrying out the DMS, SES and RCS in the village and confirm the results.
3	Assist in the identification of productive and residential land to be allocated as replacement land to APs.
4	Collaborate with the DRC and PIU to assess the needs and preferences of severely affected and vulnerable APs, and design and implement appropriate relocation assistance, income restoration and other rehabilitation strategies.
5	Mobilize village-level support (labour and materials) to assist severely affected APs, for example, to relocate and rebuild houses or shops.
6	Act as grievance officers in the absence of an existing village arbitration unit and provide the first point of contact and mediation for AP complaints and grievances.

184. Many villages have an existing village arbitration unit that is convened to resolve disputes among residents. Where this exists, the arbitration unit will be mandated to hear the complaints and grievances of APs and other stakeholders at the village level, and will attempt to resolve these issues using traditional procedures.

7.2.5 Project Implementation Assistance Consultants

185. The PCU will recruit a PIAC for the original scope of the WSSP. The PIAC contract will be updated to accommodate changes in the Project scope. The PIAC will include, among others, resettlement specialists including (i) one international consultant (3 months) and one domestic specialist (4 months) for the duration of the project, for land acquisition and resettlement activities.

186. The PIAC social development and resettlement specialists will ensure that land acquisition, compensation and resettlement components of the Project are effectively and efficiently implemented. The principal tasks of the PIAC include the following, with details in the terms of reference document for the project.

Table 16. PIAC LACR Responsibilities

No.	PIAC Responsibilities
1	Assist the PIU to conduct the screening of candidate subprojects and, for eligible subprojects, to prepare (and update) LACPs, including carrying out the DMS, RSC, updating the Entitlement Matrix (as required) and identifying effective compensation and rehabilitation assistance strategies to meet Project objectives.
2	Assist the PCU in its role to guide, support and monitor the work of the PIU for preparation of LACPs; and, to review subproject LACPs prior to submitting them to the PPSC for endorsement and to the ADB for approval.
3	Assist the PCU and PIU to establish and, in particular, provide training and guidance for the DRC and VDCs to ensure they understand Project policies and can support the process of preparing and implementing the LACPs, particularly as it relates to information dissemination to and consultation with APs and other stakeholders.
4	Assist the PCU to establish and implement standards and procedures for the Project for, among others, a centralized resettlement/social management system; consultation and information dissemination programs; grievance redress; and, internal monitoring.
5	Support the PCU and, as required, the IEM to oversee and monitor the planning and implementation of subprojects, to ensure that achievement of the objectives for land acquisition, compensation and resettlement and compliance with all procedures included in the updated LACF for additional financing and LACPs.
6	Carry out on-the-job training on resettlement, social preparation, social impact assessment, gender, ethnic minorities and social development.

8 BUDGETS AND FINANCING

187. 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 WSSP province, at replacement cost based on market prices and, as required, updated when market prices change. If payment of compensation is delayed, compensation rates will be updated regularly based on inflation rates to ensure that APs receive compensation at replacement cost at the time of compensation payment.

188. All costs for subproject resettlement programs under the WSSP including land acquisition, compensation and allowances, operation and administration costs, surveys, monitoring and reporting will be financed by provinces using counterpart funds. The Ministry of Finance will be responsible for the disbursement of funds to each of the relevant Project Provincial Governor's Offices. These funds will be managed by the Provincial Resettlement Committee (which includes the Governor's Office) and disbursed to APs in accordance with the agreements reached and the resettlement schedule. 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.

8.1 Resettlement and Compensation

189. The costs of resettlement for subprojects will be calculated based on (i) the IOL and the DMS, (ii) the entitlements set out in the entitlement matrix of this updated LACF for additional financing, and (iii) the RCS. A contingency of 20% will be included in these cost estimates to be used as required during implementation of the LACP.

190. All costs for subproject resettlement, including compensation and the government as counterpart fund will finance allowances, operation and administration costs, surveys, monitoring and reporting, and income restoration.

191. The costs of resettlement and land acquisition are included in overall subproject cost estimates. These cost estimates will also include adequate provision for contingencies. The LACPs will include the breakdown for each type of losses with corresponding cost estimates reflecting replacement cost or current market values. The LACPs will also include detailed schedule and procedures related to flow of LACPs funds.

Table 17. Preliminary LARP Budget

Budget Item	Estimation Basis	Total
Civil Works (base cost)	Lump sum allocation to works	\$11,400,000
LACP Budget allocation	Lump sum	\$80,000
Subtotal Year 1	75%	\$60,000
Subtotal Year 2	25%	\$20,000

8.2 Staffing Requirements

192. Resettlement is unlikely to be a significant issue in the implementation of the Project in view of the identification criteria and the pre-screening activities already undertaken during the preparation phase. In order to address the concerns, international and national specialists will be engaged to assist the PCU and PIUs to ensure that resettlement procedures are followed in accordance with Lao laws and ADB policies. It is estimated that one international and one national resettlement specialist will be required with inputs of 3 person months (pm) and 4 pm respectively under the assumption that (i) all

the selected subprojects would require detailed LARC studies and detailed design related updating of documents, and (ii) specialists would be involved in some M&E.

193. The international resettlement specialist will assist the Team Leader to prepare, monitor and supervise all land acquisition and resettlement (LAR) activities. The specialist will undertake field visits to assist with the preparation, updating and implementation of resettlement plans, conducting detailed measurement survey and replacement cost survey.

194. Specific tasks include the following:

- (i) Plan data collection surveys for Land Acquisition and Resettlement (LAR) activities.
- (ii) Assist the PIUs to prepare and update land acquisition and compensation plans (LACP) for about 11 two subprojects following the principles of the LAR framework
- (iii) Provide guidance to the Executing Agencies (EA), Project Implementing Agencies (PIAs), and Project Implementing Unit (PIU) on social safeguards aspects of the project with emphasis on land acquisition, compensation, livelihoods restoration, compliance monitoring and reporting;
- (iv) Provide trainings to project staff and Implementation Agency (IA), Project Implementing Unit, Project Management Unit on national safeguards policy and ADB safeguards policy and its applications. The training should include key concepts on Resettlement Management Process, demonstrating on how to implement the LARPs in a timely manner.
- (v) Based on approved technical design and bidding documents, review and update the LARP and carry out the following activities:
- (vi) Conduct detailed measurement survey (DMS) of affected assets and confirm the number of permanent and temporary loss of land and assets;
- (vii) Conduct asset registration survey to confirm all impacted assets, impacted households, and number of severely affected households due to the loss of productive agricultural land and residential structures;
- (viii) Assist in the conduct of the information campaigns and public consultation.
- (ix) Assist PCU and PIUs to (a) supervise and monitor land acquisition and resettlement, in accordance with the approved provincial resettlement plans and ADB's Policy on Involuntary Resettlement, and; (b) implement the resettlement plans with a focus on community consultation, entitlement review, compensation assessment, and grievance procedures.
- (x) Ensure that grievances redress mechanisms are appropriate, and advise if necessary on speedy resolutions.
- (xi) Assist PIUs, and local resettlement committees to establish their affected persons database, including records of compensation awards and grievances redress.
- (xii) Provide inputs to all progress reports and final completion report and provide information to IEM as necessary.
- (xiii) Prepare LACPs inventory of losses and public information booklets. Provide inputs to feasibility studies and other documents as required by the Team Leader.
- (xiv) Establish and implement procedures for ongoing internal monitoring.
- (xv) Assist PIU in preparing the internal monitoring reports.
- (xvi) Provide orientation and capacity development on LAR, project policies, grievance redress procedure, public consultation process and effective RP implementation to staff of PCU, PIU and district agencies.

195. The national resettlement expert will assist the international resettlement specialist and the Team Leader to prepare, monitor and supervise all land acquisition and resettlement (LAR) activities. She/he will have a postgraduate degree in a relevant discipline such as social sciences or equivalent and be familiar with the relevant Lao legislation regarding LAR and have at least 7 years of experience of working on infrastructure projects involving resettlement. Also, fluency in English and proven report preparation skills is required. The expert will undertake field visits to assist with the preparation, updating

and implementation of resettlement plans, conducting detailed measurement survey and replacement cost survey.

196. She/he will have experience in the social impact assessments, detailed measurement surveys, implementing and monitoring resettlement and in conduct of public consultations. He/She should assist the international specialist in all the above activities in preparing, updating and implementing the LACPs together with PCU and PIU. The candidate should possess good communication (oral and written), interpersonal and teamwork skills.

197. Together with the PIU, the consultants will supervise civil works activities to ensure that the contractors adhere with the terms of their contract relative to avoiding and/or minimizing resettlement impacts, in addition to ensuring that contractors provide the necessary compensation and/or assistance to the AHs prior to and/or during construction activities.

Table 18. Preliminary Resettlement Staffing Budget

Budget Item	Unit Cost (\$)	No. of Units	Total (\$)
International Resettlement Specialist	16,000	3 pm	48,000
National Resettlement Specialist	3,000	4 pm	12,000
International Air Travel	3,000	4 round trips	12,000
Land travel to subproject sites			1,000
Per Diem: International Specialist	3,000	3 pm	9,000
Per Diem/ Living Allowance: Domestic Specialist	1,000	3 pm	3,000
SUBTOTAL			85,000
Independent External Monitoring	4,000	2 years	8,000
TOTAL			93,000
Note 1:	This is a preliminary estimate about staff costs concerning resettlement positions.		
Note 2:	Assuming no home-office work for specialists.		
Note 3:	Assuming that all subprojects would require land acquisition, resettlement and compensation and related documents.		
Note 4:	Contract of IEM to be contracted by PCU		

9 MONITORING AND REPORTING

198. Monitoring and evaluation of the LACP allows project owners to ensure smooth progress of LACP updating, preparation and implementation, which is on the critical path for civil works, by providing for a review of information on the progress of implementation of LACP activities. Importantly, monitoring must also address the degree to which the resettlement activities have achieved their desired outcomes, particularly where this involves the rehabilitation of AP's housing, livelihoods and lifestyles. These two monitoring objectives will be addressed through two mechanisms: (a) internal monitoring by the PIUs/PCU and DRCs, and (b) external monitoring and evaluation by an independent external monitor (IEM).

9.1 Internal Monitoring

199. The PIU will supervise the preparation and implementation of the subproject LACP and will monitor and report on all land acquisition, compensation and resettlement activities carried out at the provincial, district and village levels. The scope of internal monitoring will assess (i) compliance with agreed resettlement policies and procedures; (ii) the availability of resources and efficient, effective use of these resources; and, (iii) requirements for remedial actions.

200. The PIU will submit quarterly progress reports to the PCU that will review and consolidate all provincial reports into the Project performance monitoring system, that will be used to prepare quarterly progress reports for submission to ADB. All monitoring data will be collected to ensure sex- and ethnicity disaggregation.

201. The PIU will also develop integrated semi-annual safeguards monitoring reports and submit these to ADB within one month of the end of the reporting period. i.e. Monitoring report from June to December will be submitted by the end of January.

Table 19. Key Internal Monitoring Indicators

Type	Indicator	Examples of Data
INPUTS INDICATORS	Staffing and Equipment	<ul style="list-style-type: none"> Number of staff with resettlement skills in PIU Formation of each PRC, DRC and VRC Number of PRC, DRC, VRC & WATSAN members and roles Adequate equipment for performing functions (including grievance recording) Training undertaken for all implementing agencies External monitor contracted and mobilized
	Finance	<ul style="list-style-type: none"> Funds disbursed to APs in a timely manner (compensation for non-land assets and allowances) Funds disbursed to develop relocation sites, improvement of land to make it productive; administration costs; external monitoring Government funds disbursed to APs in a timely manner (land acquisition)
PROCESS INDICATORS	Consultation, Participation, and Grievance Resolution	<ul style="list-style-type: none"> Distribution of PIB to all APs Summary LACP available in all districts Translation at minority ethnic group villages and for individual minority APs in villages of other ethnicity Consultations and participation undertaken as scheduled in the LACP Grievances by type and resolution Number of local-based organizations participating in project
	Procedures in Operations	<ul style="list-style-type: none"> DMS and asset verification procedures in place Effectiveness of compensation delivery system Number of land transfers effected (public and private land) Coordination among PIU and provincial, district and village officials and mass organizations
OUTPUT INDICATORS	Acquisition of Land	<ul style="list-style-type: none"> Area of cultivation land and other productive land acquired Area of residential land acquired Area of unallocated public land required for subproject Areas of land affected temporarily (by land use and public/private)
	Buildings	<ul style="list-style-type: none"> Number, type and size of private houses/structures affected Number, type and size of community buildings affected Number, type and size of government assets affected
	Trees and Crops	<ul style="list-style-type: none"> Number and type of private trees acquired Number and type of government/community trees acquired Number and type of crops acquired Crops destroyed by area, type and number of owners
	Compensation and Rehabilitation	<ul style="list-style-type: none"> Number of households affected (land, buildings, trees, crops) Number of owners compensated by type of loss Amount compensated by type and owner Number and amount of payment paid Compensation payments made on time Compensation payments according to agreed rates Number of houses, shops or other structures demolished Number of replacement houses built by APs on the same plot Number of replacement houses built by APs on other plots Number of replacement businesses constructed by APs Number of replacement land purchases effected Number of land titles and land survey certificates issued Number of vulnerable groups provided additional assistance
	Reestablishment of Community Resources	<ul style="list-style-type: none"> Number of community buildings repaired or replaced Number of seedlings supplied by type

9.2 External Monitoring

202. The PCU will recruit an Independent External Monitor (IEM) to provide an independent avenue to verify results of internal monitoring, and to take a qualitative assessment of the success of these measures to meet their intended objectives. The external monitor is required to ascertain whether APs have been able to restore their living standards and their livelihoods, and have not become worse off due to the project. All monitoring data will be collected so as to allow disaggregation by sex and ethnicity.

203. The IEM will conduct external monitoring and evaluation of resettlement for the WSSP, focusing on the social impacts of the Project and whether APs are able to restore, and preferably improve, their pre-Project living standards, incomes and productive capacity. The IEM will offer, if needed, (i) external support and technical expertise to the PIU on matters such as compensation rates; (ii) advice to resolve issues or problems that arise during LACP preparation and implementation; and, (iii) an overall assessment of land acquisition, compensation and resettlement for the Project from a broader, long-term socio-economic perspective. The scope of external monitoring indicators is indicated below.

204. Consistent with a precedent set in previous ADB sector grants and loans for the Lao PDR water and sanitation projects, the PCU has recruited an IEM to conduct external monitoring and evaluation of land acquisition, compensation and resettlement for all subprojects included in the WSSP. The IEM will be specialized in social sciences and experienced in resettlement monitoring.

205. The IEM is responsible for monitoring of resettlement activities related to LACP document and implementation; and, to assess whether AHs are able to restore their living conditions, livelihoods and incomes to pre-project levels and, if not, to recommend remedial actions to assist AHs. The IEM monitors and reviews payment of compensation and allowances, rehabilitation and income restoration activities and consultations, and the grievance redress process. The IEM will work closely together with the DRC in all activities.

206. The IEM will prepare and submit to PCU and ADB an external monitoring report for each subproject following the completion of LAC activities in the subproject town to confirm that they have been completed satisfactorily and in accordance with the approved and updated LACP.

207. Any actions for follow-up will be highlighted and submitted to the PCU for consideration and addressed. Corrective action plans will be developed and shared with ADB. A final completion report will be prepared and submitted to the PCU upon completion of the Project.

Table 20. External Monitoring Indicators

Indicators	Variables	Mechanism for Assessment	Timing of Assessment
LACP Implementation	<ul style="list-style-type: none"> • Resettlement staffing • Compensation Disbursements • Land and assets acquired • Preparation of replacement land • Project funds disbursement • Government funds disbursement • Public information and consultation • AP asset replacement 	<ul style="list-style-type: none"> • Review of internal monitoring reports • Review Contractor plans and actions • Interviews with and observation of implementing agencies at each level • Random sample of interviews with APs 	Every semi-annual monitoring mission

Indicators	Variables	Mechanism for Assessment	Timing of Assessment
Restoration of Living Standards and Livelihoods	<ul style="list-style-type: none"> • Compensation at replacement cost • Compensation with no depreciation or fees/taxes • Adequacy and suitability of replacement land • Adequacy of moving costs • Adequate timing for asset acquisition/replacement • Tenure security of APs 	<ul style="list-style-type: none"> • Interviews with APs – stratified sample for those relocating, and those being allocated land, indigenous peoples and women • Review of internal monitoring reports • Review of revised compensation costs and materials costs • Interviews with Provincial Lands Departments for land records 	Every semi-annual monitoring mission
	<ul style="list-style-type: none"> • Changes in AP income levels, and sources of income • Changes in AP access to safe water and proper sanitation • Changes in AP access to other services and utilities • AP participation in community organizations • AP participation in associated social action programs related to the project • Vulnerable groups rehabilitation 	<ul style="list-style-type: none"> • Replicate socioeconomic survey of a sample of APs (with some revisions for new social programs) • Comparison with original socioeconomic survey and with later results • Village level focus group discussions, including women and indigenous peoples • Interviews with vulnerable APs 	At the commencement of resettlement implementation (Year1), and project completion (Year 2)
AP Satisfaction	<ul style="list-style-type: none"> • AP awareness of resettlement procedures and entitlements • AP awareness and use of grievance system • AP satisfaction with the resettlement process 	<ul style="list-style-type: none"> • Review records of grievance lodgement and redress • Random sample of interviews with APs • Community meetings • Focus Groups discussions with various categories of APs 	Every annual monitoring mission
Effectiveness of Resettlement Planning	<ul style="list-style-type: none"> • Accuracy of DMS for AP and asset loss recoding and planning • Adequacy of budget for implementation • Adequacy of implementation schedule to undertake required tasks • Occurrence of unforeseen problems 	<ul style="list-style-type: none"> • Review records of grievance lodgement and redress • Random sample of interviews with APs • Interviews with implementing agencies at each level 	Every annual monitoring mission
Resettlement Impacts	<ul style="list-style-type: none"> • Re-occupation of cleared land • Migration to the project area 	<ul style="list-style-type: none"> • Village chief meetings • Random AP interviews • Observation 	Every annual monitoring mission

208. The IEM will be recruited and mobilized at the beginning of the preparation of each relevant subproject and, will monitor all activities related to resettlement planning, payment of compensation and relocation and income restoration. The IEM will prepare a monitoring report every six (6) months up through the period when APs receive compensation and remove from acquired land. IEM will also submit a resettlement status report after the IR activities in each phase of subproject towns is

completed. This report will be submitted to the PCU and ADB for no objection prior to civil works awards.

209. All IEM reports will be submitted to the PCU, MONRE and ADB, with copies to the PIU. These reports will be provided to the PCU, MONRE and to the ADB for uploading on ADB's resettlement website.

210. Most importantly, the external monitor's reports will include any identified issues and recommendations for rectifying outstanding matters. The monitor will also highlight any significant successes and commendable approaches or methods used in the project which may provide a learning opportunity to the PCU and other resettlement projects.

Attachment 1: Land Acquisition and Resettlement Screening Form

Water Supply and Sanitation Sector Project

LAND ACQUISITION AND RESETTLEMENT CATEGORIZATION

A. Introduction

Each subproject of the Water Supply and Sanitation Sector Project (WSSSP) is assigned an involuntary resettlement category depending on the *significance* of the probable involuntary resettlement impacts.

B. Information on WSSP Subproject

Subproject town / district	
Province	
Scope of subproject (description of the nature and scope of works)	
a) Water supply system	
b) Sanitation	
c) Other	

C. Screening Questions for Resettlement Categorization

Initial screening for involuntary resettlement is to be conducted during preparation of the WSSP Feasibility Study for the subproject (based on preliminary engineering design).

Probable Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
Involuntary Acquisition of Land				
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?				
Involuntary restrictions on land use or on access to legally designated parks and protected areas				
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?				
Information on Displaced Persons⁸:				
Any estimate of the likely number of persons that will be displaced by the Project? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, approximately how many? _____				
Are any of them poor, female-heads of households, or vulnerable to poverty risks? <input type="checkbox"/> No <input type="checkbox"/> Yes				
Are any displaced persons from indigenous or ethnic groups? <input type="checkbox"/> No <input type="checkbox"/> Yes				

D. Involuntary Resettlement Category

After reviewing the answers above, the PIU and District Resettlement Committee agree subject to confirmation, that the subproject is a:

<input type="checkbox"/>	Category B , Not significant* land acquisition and resettlement impacts: a Land Acquisition and Compensation Plan (LACP is required).
	LACP to be submitted to ADB by [insert date]
	* Not significant: Less than 200 people (approximately 35 households) will experience major impacts that are defined as (i) being physically displaced from housing and/or shops or (ii) losing 10% or more of productive land or other income-generating assets.
<input type="checkbox"/>	Category C , No land acquisition and resettlement impacts: No LACP is required.

Prepared By:	Verified by:
Signature:	Signature:
Name:	Name:
Position:	Position:
Date:	Date:

⁸ In the context of involuntary resettlement, 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 areas.

Attachment 3: Consultation/Meeting Record Format

Include this record of consultation meetings in the LACP for each subproject, together with a record of attendees and photographs of meetings.

Date	Location	Agency	Participants	No. of Participants (No. of Women)	Discussion / Responses / Outcomes Follow-Up Actions with Responsibility
					▪
					▪
					▪
					▪