

Land Acquisition and Resettlement Framework

For staff review meeting
DRAFT

April 2018

Lao PDR: Climate-Friendly Agribusiness Value Chains Sector Project

CURRENCY EQUIVALENTS

(as of 2 April 2018)

Currency unit – Laotian kip (LAK)

LAK1.00 = \$0.00012

\$1.00 = LAK 8,283.97

ABBREVIATIONS

ABE	-	agribusiness enterprise
ADB	-	Asian Development Bank
APG	-	agricultural production group
CEAT	-	controlled environmental agricultural technology
COI	-	corridor of impact
CSA	-	climate-smart agriculture
DAFO	-	district agriculture and forestry office
DDR	-	due diligence report
DMS	-	detailed measurement survey
DOPF	-	Department of Planning and Finance
DPIU	-	district project implementation unit
EMA	-	external monitoring agency
GAP	-	good agricultural practices
GMP	-	good manufacturing practices
GRC	-	grievance redress committee
GRM	-	grievance redress mechanism
ha	-	hectare
IOL	-	inventory of losses
IRRI	-	International Rice Research Institute
km	-	kilo meter
LACP	-	Land acquisition and resettlement plan
LARF	-	land acquisition and resettlement framework
LARP	-	land acquisition and resettlement plan
M&E	-	monitoring and evaluation
MAF	-	Ministry of Agriculture, Forestry
NGO	-	nongovernment organization
NPMO	-	national project management office
NSC	-	national steering committee
PAFO	-	provincial agriculture and forestry office
PIU	-	project implementation unit
PPCP	-	public-private-community partnership
PPIU	-	provincial project implementation unit
PRSC	-	provincial resettlement committee
PSC	-	project steering committee
RCS	-	replacement cost survey
ROW	-	right of way
SES	-	socioeconomic survey
SFS	-	smallholder financing scheme
SPS	-	Safeguard Policy Statement
TOT	-	training of trainers

GLOSSARY

Affected Household	– All displaced persons residing under one roof and operating as a single economic unit, who are adversely affected.
Affected Person(s)	– Member(s) of affected household by a project or any of its components. Individuals who are adversely affected.
Compensation	– Payment made in cash or in kind to affected households at replacement cost for assets, resources or income lost or adversely affected by the project.
Corridor of Impact	– The area which is affected by civil works during the implementation of the project and may comprise: (i) area within which affected households will be legally 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) agreed and demarcated operational area within which construction activities will take place.
Cut-off Date for Eligibility	– This refers to the date after which people will not be eligible for compensation or assistance. Those persons occupying or using the project area prior to the identified date are eligible to be categorized as an affected household and to receive compensation and/or assistance. Persons not covered in the census are not eligible for compensation and other entitlements unless they can show proof that (i) they have been inadvertently missed out during the census and the inventory of losses (IOL); or (ii) they have lawfully acquired the affected assets subsequent to the completion of the census and the IOL and before the conduct of the detailed measurement survey (DMS).
Detailed Measurement Survey	– With the aid of the approved detailed engineering design, this activity involves the finalization and/or validation of the results of the IOL, severity of impacts, and list of affected households conducted during the project's feasibility studies. The final cost of resettlement for the subproject will be determined following completion and results of the DMS.
Displaced Person	– In the context of involuntary resettlement, displaced persons are those who are physically displaced (through relocation, loss of residential land or loss of shelter) and/or economically displaced (through 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 access to legally designated parks and protected areas. Further, this refers to any person or persons, who satisfy the condition of "Cut-off Date for Eligibility". Throughout this RF, "affected person" means the same as displaced person.
Eligibility	– Eligible includes all the affected households (without any

discrimination such as household headed by women, disabled elderly, landless and people living below the national poverty line) confirmed to be residing in, doing business, or cultivating land or having rights over resources within the subproject affected area or land to be acquired or used for sub project activities. Eligibility is confirmed during the conduct of IOL and census of affected households (cut-off date) and is detailed in the entitlement matrix.

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| Entitlement | – A range of measures (i.e., compensation and/or other assistances as set forth and agreed in the Entitlement Matrix), which are provided to affected households, depending on the type and severity of their losses, to restore their economic and social base. |
| Income Restoration | – The re-establishment of sources of income and livelihood of the affected households. This term is used synonymously with “rehabilitation.” |
| Inventory of Losses | – It is the process whereby 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 corridor of impact (COI) are recorded. Assets are identified, measured, their owners recorded, the exact location pinpointed, and replacement costs calculated. Additionally, the severity of impact to the affected assets and the severity of impact to the livelihood and productive capacity of affected households will be determined. |
| Involuntary Resettlement | – This involves the displacement of people from their land, homes, assets, sources of income and employment on account of the Project. Involuntary resettlement in the context of the present project is extremely unlikely. The project will seek to mitigate any and all adverse impacts on affected household property and/or livelihoods, including providing compensation, relocation (where relevant), and rehabilitation as needed. |
| Land Acquisition | – Refers to the process whereby an individual, household, firm or private institution is compelled to relinquish all or part of the lands/ he/it owns or agrees to grant land to government for public purpose in return for compensation at replacement cost. |
| Rehabilitation | – This refers to additional support provided to affected households losing productive assets, incomes, employment or sources of living to supplement payment of compensation for acquired assets, in order to improve or at least restore the living standards of the affected household. This term is synonymous with “Income Restoration”. Rehabilitation measures are provided in the entitlement matrix as an integral part of the entitlements. |
| Relocation | – This is the physical displacement of an affected household from her/his pre-project place of residence and/or business. |

Replacement Cost	– Means the amount in cash or in kind needed to replace an asset in its existing condition, without deduction of transaction costs, depreciation, or for any material salvaged, at market value or its nearest equivalent. The replacement rates of affected assets will be determined by the conduct of the replacement cost study. The replacement rate will be updated every 24 months after the completion of the Detail Measurement Survey.
Replacement Cost Study	– This refers to the process involved in determining replacement costs of affected assets based on empirical data.
Resettlement Plan	– This is a time-bound action plan with objective of ensuring that living standards of affected households are re-established. It sets out compensation and resettlement strategies, objectives, entitlements, actions, budget, responsibilities, and monitoring and evaluation.
Resettlement Effects	– Resettlement Effects mean all negative situations directly caused by the project including loss of land, property, income generation opportunity, and cultural assets.
Right-of-Way	– It is a government owned strip of land following a centerline (such as for roads, canals, etc.) providing an area of access.
Severely Affected Households	– This refers to affected households who will be (i) physically displaced from housing, or (ii) lose 10% or more of their total productive assets (income generating).
Significant Resettlement Effect	– For this project, Significant Resettlement Effect for each subproject means 200 persons or more experiencing ‘major’ impacts which are defined as: (i) Being physically displaced from housing, or (ii) Losing 10% or more of their total productive assets (income generating).
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. These include: (i) female headed households with dependents, (ii) disabled household heads with no means of support, (iii) households falling under the generally accepted indicators for poverty, (iv) children and elderly households who are landless and with no visible means of support, (v) landless households and (vi) Indigenous Peoples or ethnic minorities. The risk of being further marginalized or being suffered disproportionately will occur if those people have their primary structures affected or be severely affected by the project.

NOTE

In this report, "\$" refers to United States dollars.

This Land Acquisition and Resettlement Framework is a document of the borrower. The views expressed herein do not necessarily represent those of ADB's Board of Directors, Management, or staff, and may be preliminary in nature.

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I. INTRODUCTION

1. The proposed Climate-Friendly Agribusiness Value Chains Sector Project is classified as Category B for involuntary resettlement, under the Asian Development Bank (ADB) Safeguards Policy Statement (SPS) 2009. Subproject screening and selection criteria identify and reject any subprojects that require significant¹ involuntary land acquisition and resettlement impacts. Impacts on land if any, are anticipated under Output 1 of the project. Irrigation rehabilitation and access road improvement subprojects will be identified during implementation of the project. This may require land acquisition to accommodate access roads and distribution canal improvements. The main approach to land acquisition will be through negotiated settlement based upon the market value of the asset. In some cases, it is possible that some households may voluntarily donate small strips of land in order to secure a clear benefit, subject to specific conditions as set out in the entitlement framework. Subproject selection and eligibility criteria rule out any SP with physical or economic dislocation. However, given that some subprojects will only be prepared after the ADB Board approval, involuntary resettlement impacts in the form of compensation for land, cannot be ruled out at this stage.

2. A land acquisition and resettlement plan (LARP) is required under ADB's Safeguard Policy Statement (SPS 2009) for Category B projects. The project will accept both category B and C subprojects. A LARP will be prepared for any subprojects that involve involuntary resettlement or land acquisition. Where voluntary donations are made, this must be limited to a maximum of 5% of land and not have a negative impact on livelihoods. Vulnerable households will not be expected to donate land voluntarily. Where voluntary donations are made, the project must prepare a rigorous due diligence report (DDR) with full documentation including verification of voluntary donation where this is genuinely community led.

3. This land acquisition and resettlement framework (LARF) sets out procedures to be used to further screen and select subprojects during implementation and in preparation of subproject LARPs. Any LARP prepared will describe the subproject activity and scope of works, land required, document the community consultation process, provide details of land and assets affected on a household basis, provide details of compensation required by each affected household, and also provide details of a grievance redress procedure that has been explained to affected households. The LARP will also provide a monitoring and case audit process.

4. The DDR will demonstrate: (i) the subproject site is selected in full consultation with landowners and any non-titled affected people; (ii) voluntary donations do not severely affect the living standards of affected people and the amount of to be acquired from each affected household does not exceed 5% of the plot or landholdings of the household; (iii) voluntary donations are linked directly to benefits for the affected household; (iv) any voluntary donation will be confirmed through written record and verified by an independent third party such as the external monitoring organization; (v) there is an adequate grievance process; (vi) no affected household will be displaced from housing and severely affected; and (viii) no affected household is vulnerable. The DDR will also demonstrate that affected households have been fully informed of both the ADB and the Government of Lao PDR (the government) land acquisition and compensation policies, and the project grievance redress mechanism (GRM).

5. If subprojects are otherwise identified but assessed as Category A for involuntary resettlement or land acquisition, they will not be financed by the project.

¹ The involuntary resettlement impacts of an ADB-supported project 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).

II. PROJECT BACKGROUND

6. The proposed project will support implementation of the government's Agricultural Development Strategy by enhancing competitiveness of rice value chains in Khammouane, Saravan and Savannakhet provinces along the Greater Mekong Subregion (GMS) east-west economic corridor, and the vegetable value chains in Champasak and Sekong provinces, and the Vientiane Capital Administration Authority.² It will improve climate resilience of critical agricultural production and post-harvest infrastructure, and promote intensification and commercialization. The project will help improve storage, processing, quality and safety testing capacity, and promote the use of biofertilizers and organic farming. It will also create an enabling policy environment for climate-friendly agribusinesses, and strengthen technical and institutional capacity for climate-smart agriculture (CSA).³ This will, in turn, promote environmental sustainability and enhance profitability for farmers and agribusinesses.

7. Three subprojects have been identified and are subject to feasibility studies during project preparation. More subprojects will be identified and feasibility studied during project implementation.

8. This land acquisition and resettlement framework is prepared for the project in order to assist in subproject screening, safeguard categorization and selection during project implementation, and to guide the preparation of land acquisition and compensation plans where necessary and to ensure that project investments comply with the government and ADB safeguard objectives, principles and requirements.

A. Project Areas

9. The project area includes Khammouane, Savannakhet and Saravan provinces for rice, Champasak and Sekong provinces and Vientiane Capital for vegetables. The projects' core commodities are rice and vegetables, however, during project implementation the executing agency will have the flexibility to expand the number of commodities covered. Focus areas will be lowland production hubs and the adjacent lower upland areas, with access to transportation arteries and gateways.

B. Impact, Outcomes and Outputs

10. The project is aligned with the following impact: agricultural competitiveness improved. The impact is reflected through enhanced productivity, quality and safety, value addition and rural household incomes. The project will have the following outcome: more productive and resource efficient agribusiness value chains developed in project areas.

11. This LARF will be used as a guide in addressing involuntary resettlement and land acquisition impacts for any subprojects that are approved under the project. Due to the selection criteria for subprojects, land acquisition is expected to be minimal and not negatively impact livelihoods.

² Government of Lao PDR, Ministry of Agriculture and Forestry (MAF). 2015. *Agricultural Development Strategy to 2025 and Vision to Year 2030*. Vientiane; Asian Development Bank (ADB) provided project preparatory technical assistance (PPTA) for the Climate-friendly Agribusiness Value Chains Sector Project (TA 8897-REG); and Government of Lao PDR, MAF. 2015. *Agricultural Development Strategy*. Vientiane.

³ Food and Agriculture Organization of the United Nations defined climate smart agriculture (CSA) as "agriculture that sustainably increases productivity, enhances resilience (adaptation), reduces/removes greenhouse gases (mitigation), and enhances achievement of national food security and development goals".

12. The project will have three outputs: (i) critical agribusiness value chain infrastructure improved and made climate resilient; (ii) climate smart agriculture (CSA) promoted; and (iii) enabling environment for climate-friendly agribusiness enhanced.

III. KEY FEATURES OF PROJECT INVESTMENT ACTIVITIES AND SUBPROJECTS

A. Output 1: Critical agribusiness value chain infrastructure improved and made climate resilient

1. Activity 1.1: Rehabilitating small scale irrigation infrastructure and rural roads to climate resilient condition

13. Under this Activity, the project will (i) improve and upgrade tertiary canals from earth-lined to brick-lined or concrete structures to direct water to the farmer's fields and reduce water losses, while ensuring that the improved structures are climate resilient; (ii) rehabilitate water retention ponds to provide supplemental irrigation during droughts; and (iii) improve and upgrade earth-based farm access roads to climate resilient gravel-based surfaces to improve supply of inputs to farms and market access, reduce post-harvest crop losses, and enhance safety. During the design period, the provincial agriculture and forestry offices (PAFOs), district agriculture and forestry office (DAFOs) and farming communities discussed and assessed farm linked irrigation and road improvement civil works, and subsequently a short list of potential priority subprojects was drawn up and agreed.

14. Selection criteria:

- (i) The subproject must not be in the mandate for improvement under an existing ADB rural infrastructure project, e.g., GMS East-West Economic Corridor Agriculture Infrastructure Project;
- (ii) The proposed irrigation and road improvement work must be directly farm linked;
- (iii) The proposed irrigation work should focus, primarily, on tertiary canal upgrading from soil lined canals to concrete and/or brick lined structures; however, other civil works may be considered at the discretion of the executing agency and on justification from PAFOs; Introduction of appropriate bio-engineering approaches to the upgrade specification and detailing of roads and canals is to be encouraged, both from the climate change perspective, as well as specifically helping to maintain the traditional biodiversity of the canal systems;
- (iv) The proposed road works should focus on upgrading a minimum of 5 km road by the levelling and consolidation of soil-based surfaces to gravel;
- (v) The proposed civil works must be appropriately designed to take into account adaptation to climate change variabilities such as improved drainage, particularly flooding (such as road drainage, concrete rather than earthen canals); and
- (vi) Land acquisition avoided to the extent possible and no physical resettlement or economic displacement will be accepted.

2. Activity 1.2: Enhancing crop research, protection and testing infrastructure

15. Under this Activity, the project will improve and upgrade infrastructure in five crop research centers in Khammouane, Saravan, Savannakhet, Champasak and Sekong provinces, one national diagnostic soil laboratory, and one national plant protection laboratory to be fully operational to provide agribusiness services and to strengthen forward and backward value chain linkages for at least 50 agricultural production groups (APGs). Improvement of infrastructure at

provincial research centers is expected to enhance development and dissemination of climate resilient varieties. Likewise, improvement of national laboratories will strengthen safety and quality of plant production and soil testing services respectively.

3. Activity 1.3: Improving climate friendly value chain infrastructure for agribusiness enterprises

16. Under this Activity, (i) infrastructure in at least 36 agribusinesses upgraded and greenhouse gas mitigation and adaptation measures integrated, and (ii) average recovery rate of milled rice increased by 62%. Agribusiness enterprises (ABEs) include rice mills, vegetable collection centers and pack houses, and biofertilizer factories. Financial support will be provided to qualified applicants through conditional matching grants with beneficiaries' contributions to be determined according to alignment, where possible and agreed between MAF, World Bank and ADB. The beneficiaries' contribution will be in cash. The matching grant scheme will be handled by a project-appointed financial management entity. Details of the scheme, including selection criteria, are in a supplementary document. ABEs will also benefit from training and capacity building in CSA, management, administration and finance and operational logistics.

17. **Upgrading of infrastructure in small to medium scale rice mills with service provision to farmers:** The project will upgrade infrastructure in at least 14 rice mills, being members of clusters formed into registered rice groups or cooperatives to, inter alia, (i) allow the separation of white and glutinous rice and avoid the production of mixed rice types and improve access to premium domestic and export markets; (ii) improve rice recovery rates; (iii) enhance mill capacity usage; (iv) provide services and support to rice APG paddy suppliers; and (v) comply with the requirements to achieve good manufacturing practices (GMP) and hazard critical control points certification. The project will support small and medium scale rice mills, which have a production capacity between 4 to 16 paddy tons per day. The project will focus on supporting existing registered rice milling groups and cooperatives.

18. **Selection criteria:** The following specific selection and evaluation criteria is proposed for project support under this subproject:

- (i) be a member of a registered rice mill group, and a majority Lao PDR owned legal entity;
- (ii) support the community (farmer's groups) and establish a production arrangement (Input supply, credit, minimum guaranteed price, etc.) with the farmer's groups to operate efficiently and to operate within a planned business framework of medium and small-scale rice mills within their registered rice mill group network;
- (iii) buy paddy from the small rice mills in their network to balance demand supply gaps;
- (iv) medium sized mills to engage in enhancing the production capacity of the small rice mills in their network by the transferring knowledge and know-how;
- (v) build together an inclusive businesses and investment plan;
- (vi) have a legally recognized business license;
- (vii) have, or be prepared to adopt, CSA, green energy saving and food safety (GMP and hazard critical control points certification) polices;
- (viii) have a public-private-community partnership (PPCP) approach with the paddy suppliers and buyers;
- (ix) contribute financially to the subproject, in terms of "in kind contributions (land, material and labor), own funds, and demonstrate a viable financial situation;

- (x) financial and/or technical support will not be available if the applicant has already secured, or has requested, similar support from other donors;
- (xi) the subproject should be replicable in other project areas; and
- (xii) involve no involuntary land acquisition, resettlement, physical or economic displacement.

19. **Construction or upgrading of APG-owned vegetable collection centers and pack houses:** The project will support registered APGs and/or agriculture cooperatives to upgrade at least 17 pack houses for vegetable collection and marketing clusters to, inter alia, (i) reduce post-harvest losses; (ii) improve quality and quantity of high value vegetables marketed to premium domestic and export markets; (iii) provide services to their members; and, (iv) comply with the requirements of GAP and organic agriculture certification.

20. The proposed subproject is focused primarily on supporting farmers' groups, financially and technically, as key beneficiaries. There will also be incentives to the private sector under PPCP arrangements including capital injection by the government,⁴ possibly in terms of concessional loans and tax incentives. The proposed subproject supports some 2,170 ha of vegetable production in Champasak province; 1,374 households, and 3,450 ha of greenhouses and sub-surface irrigation. The proposed core sub project involves three activities (i) establishment of vegetable "hub and spoke" collection and marketing infrastructure in order to develop an effective and safe production, handling and transport technologies for the purpose of profitable and sustainable exports to high value markets; (ii) establishment of effective and appropriate technical and commercial practices among farmer groups and among other supply chain participants such as transporters, traders, exporters; and (iii) development of additional markets and new supply chains and channels for small farmers to sell their produce.

21. Selection criteria:

- (i) be registered with the PAFO as a farmers group or agricultural cooperative having met the requirements of the MAF Ministerial Decree of 25 September 2014, or,
- (ii) be a registered majority Lao owned company;
- (iii) be experienced in the growing, harvesting and selling of vegetables with an actual or proven potential market demand;
- (iv) having received training and capacity building from DAFO. or other qualified trainers in high value crop production and post-harvest technology;
- (v) having, or be prepared to adopt, a CSA and green energy saving policy;
- (vi) be prepared to adopt a PPCP approach to marketing and farmer service provision to enterprise business activities;
- (vii) submit a business plan covering the proposed subproject investment;
- (viii) be prepared to make a minimum 10% contribution to the cost of the proposed investment which can be in kind e.g., land, materials and labor;
- (ix) demonstrate a sound and sustainable financial situation and ability to operate efficiently and within a planned business framework;
- (x) be prepared to support the community and its individual farmers in terms of support to agricultural inputs, credit, minimum guaranteed prices; and
- (xi) involve no involuntary resettlement or land acquisition, physical or economic displacement

⁴ Reference: Vice Minister's comment in the project inception workshop on 11 February 2016.

22. **Upgrading bio-fertilizer factories with service provisions to farmers:** The project will upgrade at least five registered biofertilizer factories to (i) increase organic fertilizer production and operational efficiency; (ii) promote the use of organic fertilizers to organic crop farmers; (iii) provide services and support to APG buyers; and (iv) comply with the requirements to achieve GMP certification.

23. Selection criteria:

- (i) medium scale organic fertilizer companies with the current production capacity between 1,500 to 2,000 tons per annum;
- (ii) be a state owned or majority Lao-owned company with a recognized business license in line with the enterprise law;
- (iii) have a concession/exploitation agreement with authority concerned (village authority, etc.) with regard to the feedstock exploitation;
- (iv) have an internal demonstrable policy on green energy saving and climate change adaptation and mitigation;
- (v) contribute financial support to the subproject, either from on own funds or in kind (e.g., land, materials and/or labor), >10% of subproject cost, and demonstrate a sustainable financial situation and ability to operate efficiently and within a planned business framework;
- (vi) have identified actual and/or potential economically viable markets for organic fertilizers.
- (vii) be prepared to adopt a PPCP approach, where appropriate, to marketing and farmer service provision to enterprise business activities;
- (viii) submit a business plan covering the proposed subproject investment;
- (ix) be prepared to make a minimum 10% contribution to the cost of the proposed investment which can be in kind e.g., land, materials and labor; and
- (x) involve no involuntary resettlement or land acquisition, physical or economic displacement.

B. Output 2: Climate smart agriculture and agribusiness promoted

24. It will focus on (i) development and dissemination of climate resilient varieties of rice and vegetables, (ii) provision of information on CSA and organic agriculture; and (ii) support to institutional and farmers' groups capacity building and strengthening on productivity and quality improvement; reduction of post-harvest losses; and group management and understanding the cropping calendar.

1. Activity 2.1: Deploying climate-resilient rice and vegetable varieties

25. Yields of both rice and vegetable varieties grown in the target provinces are adversely impacted by climate change. Under this Activity, the project will support the National Agricultural and Forestry Research Institute to develop, trial and release climate-resilient rice and vegetable varieties. Advice from the International Rice Research Institute (IRRI) will be sought to develop new rice varieties and improve land management and crop establishment, which are resource use (labor, water, energy) efficient, with reduced risk and drudgery, able to generate avenues for employment and economically attractive to youth and women.

26. The varietal characteristics will include tolerance to higher temperatures, drought, prolonged submergence as well as varieties with shorter cropping cycles. Support will be provided to the National Agricultural and Forestry Research Institute to develop a commercialization program with recommendations on the legal framework to develop intellectual property rights and

partial cost recovery for the institution. A collaboration agreement will be signed with the IRRI for rice research in this context. The project implementation consultants will provide coordination support in the preparation of the terms of the agreement.

2. Activity 2.2: Strengthening capacity in climate friendly and organic agriculture

27. The project will strengthen technical capacity of MAF staff, including PAFO and DAFO staff, farmers and farmers' groups (30,000 farmers of which at least 40% are women and 3,000 are ethnic group members), water user groups, APG committee members, ABEs, and other value chain actors on CSA, organic farming and agribusiness. To the extent possible, regional and international institutions such as IRRI and International Water Management Institute will be engaged to assist in capacity building. The project will strengthen capacity of different stakeholders along the value chain using diverse approaches listed below.

- (i) **Training of Trainers (TOT) courses.** The courses indicated below may be merged and form part of an overall TOT curriculum and are not exhaustive. It is recommended that the Food and Agricultural Organization of the United Nations publication, *Climate-Smart Agriculture Sourcebook*,⁵ is used as a guideline when preparing TOT courses, including the following: controlled environmental agricultural technology (CEAT) including hydroponics, GAP, integrated pest management practices, farm mechanization, organic farming, land preparation and sustainable land management techniques, on-farm micro irrigation techniques and innovation, post harvesting and handling, value addition and marketing, climate change adaptation and mitigation measures, and environmental and gender issues in farming.
- (ii) **Farmer training courses.** Based on the advice of district project implementation units (PIUs), selected farmers will be trained in CSA through district level training courses. The courses, the content of which will be based on the subjects indicated above, will be delivered by Department of Technique Extension and Agriculture Processing staff who have completed TOT courses and appointed by the national project management office (NPMO), and organized by the project implementation consultant. The indicated average duration of each course is five days, including one-day practical field work. The courses will be arranged with intermittent sessions over a maximum of five weeks. Each training session should be organized with a maximum of 25 participants, with duration of at least one full day per session.
- (iii) **Farm demonstration plots.** Field demonstrations on farm mechanization, micro-irrigation and water conservation, climate resilient varieties, and CEAT techniques will be undertaken using a roadside demonstration plot provided by a volunteer lead farmer selected by the provincial PIU under overall advice from the Department of Technique Extension and Agriculture Processing. The project will nominate lead farmers responsible for the demonstration plots. The project will provide the lead farmer with a stock of farm equipment including micro-irrigation, mechanized and other farm tools and implements, CEAT such as shade houses, net houses, green houses, and an annual supply of agricultural inputs including seeds and planting materials, fertilizers, herbicides and pesticides. It is proposed that the project pays the lead farmer a nominal fee to compensate for the use of

⁵ Food and Agriculture Organization of the United Nations. 2013. *Climate-Smart Agriculture Sourcebook*. www.fao.org/docrep/018/i3325e/i3325e.pdf.

his/her land, and time, for demonstration purposes. The lead farmer and the provincial PIU shall enter into an agreement and the fee should be decided by the provincial PIU in collaboration with NPMO.

- (iv) **Farmer field days.** Regular field days will be organized at critical times, such as planting or harvest, for small groups of a maximum of 10, linked to the demonstration plots described above.
- (v) **Study visits.** Lead farmers and provincial government staff directly involved in project implementation will be selected to participate in regional tours of one-week duration, in groups of 10 maximum, to suitable locations in the region, particularly Cambodia, Southern China, Thailand, and Viet Nam. The purpose is to exchange best practices and innovative climate smart and organic production technologies.
- (vi) **Workshops.** A minimum of three workshops will be organized, at central level, to discuss developments in innovative farm technology including research and development studies, experiences of individual farmers, and solutions to problems. Three provincial level workshops will also be held during the lifetime of the project.
- (vii) **Farmer group training.** Training will be provided to APGs and water user groups in group formation, management, administration, accounts, logistics, marketing, certification and networking. A main objective is to encourage several APGs, say in a district, to evolve into agricultural cooperatives.
- (viii) **Gender sensitization.** The safeguards, gender and social development specialist will provide training for government officials, workshops and provincial/district gender focal points, facilitated by the NPMO safeguards officer.

3. **Activity 2.3: Promoting smallholder financing scheme for climate friendly agriculture**

28. The project will provide financial and technical support to APGs entering into a profitable agribusiness ventures through the establishment and operation of smallholder financing scheme (SFS). Small investments in farm-based CSA technology, mechanization and infrastructure may be funded through the SFS on a group guarantee basis, subject to the guidelines on SFS. A key activity under this activity will be the promotion and support to the formation of agricultural cooperatives for those interested APGs who meet the requirements of regulations under the ministerial agreement dated 25 September 2014.

a. **Farm level individual rice and vegetable farmers**

29. Through their groups and cooperatives, will be supported in the acquisition of farm based, climate-smart, agricultural infrastructure and mechanization equipment to improve product quality productivity and profitability and meet organic and good agricultural practice (GAP) certification requirements.

30. Selection criteria:

- (i) member of a farmers' group or agricultural cooperative;
- (ii) possess an agricultural background and have rice and/or vegetable production experience;
- (iii) applicant to operate a farm of less than 2.5 ha;
- (iv) attendance at project awareness and capacity building training courses;
- (v) access to actual or potential markets; and

- (vi) rationale and justification of investment proposal to be submitted and approved by farmers group or agricultural cooperative committee; and
- (vii) all applicants must be prepared to make a contribution to the cost of investment.

b. Farmers group joint agribusiness activities

31. Farmers group to support their joint activities in post-harvest crop handling to promote improved market access, prices, contract farming and value addition through small-scale agro-processing.

32. Selection criteria:

- (i) existence as a farmers group for a minimum of 1 year with the legal status to allow them to enter into contracts with third parties;
- (ii) participation of leading members of farmers groups in the project's knowledge awareness training courses production and value addition and farmers group management;
- (iii) the investment project must be market driven involving crops with proven actual or potential demand, and illustrate backward and forward linkages along the value chain;
- (iv) involvement of women in the investment;
- (v) employment potential for youth, indigenous peoples and disadvantaged groups in the investment; and
- (vi) the investment proposal should not have any negative social and environmental effects, provide proof of knowledge of the comparative benefits and risks, and the potential price premiums that will result from the investment.

C. Output 3: Enabling environment for climate-friendly agribusiness enhanced

33. This output will focus on support for formulation of climate friendly agribusiness policies and standards and enabling environment for green finance.⁶ It will help in mainstreaming climate change concerns into agribusiness at policy and operational levels, and pilot climate risk sharing instruments such as crop insurance, and recommend green financing instruments. Key activities include: (i) assistance to MAF and Ministry of Industry and Commerce in formulating an enabling agribusiness policy/regulatory and identification of opportunities for private sector engagement; (ii) harmonization of climate conscious commodity standards, grades and certification; (iii) agricultural land ownership policy, registration and titling; and (iv) green financing options, e.g., potential PPCP, and crop insurance.

⁶ Green finance" can be defined as financing of investments that provide environmental benefits in the broader context of environmentally sustainable development. These environmental benefits include, for example, reductions in air, water and land pollution, reductions in greenhouse gas (GHG) emissions, improved energy efficiency while utilizing existing natural resources, as well as mitigation of and adaptation to climate change and their co-benefits. Green finance involves efforts to internalize environmental externalities and adjust risk perceptions in order to boost environmental friendly investments and reduce environmentally harmful ones. Green finance covers a wide range of financial institutions and asset classes, and includes both public and private finance. Green finance involves the effective management of environmental risks across the financial system (Source: UNEP – September 2015).

1. Activity 3.1: Formulating climate friendly agribusiness policies and standards

34. The project will involve policy formulation through (i) identification of measures to remove barriers for private sector investment in agribusiness and related activities; (ii) identification of investment strategies for the public sector to enhance CSA; (iii) promotion of the development of climate-friendly infrastructure so that Lao PDR's agribusinesses have a comparative and competitive advantage with their regional rivals; and (iv) creation of institutional and legal frameworks conducive to supporting and assisting CSA, particularly with respect to regulations, taxes, business registration and the streamlining of licenses required and the multiplicity of government institutions involved in the sector.

2. Activity 3.2: Promoting green finance and climate risk sharing instruments

35. The project will support creation of PPCPs in agribusiness through identification of incentives for private sector participation, enhancing ABEs' access to finance, reduce the risk aversion of commercial banks to financing the agribusiness sector; and promote awareness on climate risk sharing instruments such as crop insurance.

36. The executing agency for the project will be the Ministry of Agriculture and Forestry (MAF). MAF will delegate the responsibility for overall project coordination and management to its Department of Planning and Finance (DOPF). In turn, DOPF will establish a NPMO that will be responsible for project coordination and management, including financial management of project accounts, procurement of goods and works, recruitment of consultants, and monitoring and reporting. To ensure inter-agency cooperation at the national level, a national steering committee (NSC) will be established within MAF. In the six provinces of Champasak, Khammouane, Savannakhet, Saravan, Sekong, and Vientiane the implementing agencies will be the PAFOs. A provincial project implementation unit (PPIU) will be established in each PAFO to be responsible for financial management at provincial level, and coordination and management of implementation of subprojects. The PPIU will also coordinate and supervise the work of the district project implementation units (DPIUs). Project implementation support will be assisted by an international and national technical assistance team.

Table 1: Anticipated Impacts under Output 1

Activities	Investments (subprojects)	Climate change adaptation	Value chain impact	Output linkage	Possible LAR Impacts
Activity 1.1: Rehabilitating small scale irrigation infrastructure and rural roads to climate resilient condition	Upgrading and rehabilitation of irrigation facilities. Upgrading and rehabilitation of farm access roads.	Appraise and upgrade design specification as per climate change adaptation. Document and apply appropriate bio-engineering details.	Optimum utilities required for crop production (input supply/market access).	3.1 – policy: Climate smart agribusiness policies and standards (irrigation and transport policy). 1.2: crop production	Small strips of land needed to accommodate improvement of farm and irrigation access tracks and also distribution canal improvement or extension. Impacts are outweighed by direct benefits to any AHH.
Activity 1.2: Enhancing Crop research, protection and testing infrastructure	Infrastructure and technology transfer for climate-smart agriculture improved (for individual farmers). Small scale post-harvest infrastructure established and operational (farmer group joint activities). Rice seed production enhanced (and availability of climate resilient varieties).	Strengthen understanding, and promotion of 'Climate Smart Agricultural' practices. Ensure all infrastructure is complete with adaptive climate change specific detailing. Promote endorsement of multiple seed varieties to reflect best traditional and contemporary practice.	Production/ inputs/harvest and post-harvest handling/value addition/ marketing	2.2: capacity building/training of trainers/ farmers group training 1.3: Agro-processing and marketing 2.3: Agricultural insurance	No impact. Implemented on government research centers with existing land resources. No additional lands required.

Activities	Investment subprojects	Climate change adaptation	Value chain impact	Output linkage	Possible LAR Impacts
Activity 1.3: Improving climate friendly value chain infrastructure for agribusiness enterprises.	<p>Upgrading rice mill infrastructure with service provision to farmers.</p> <p>Upgrading vegetable collection and marketing infrastructure with service provision to farmers.</p> <p>Upgrading organic biofertilizer factories with service provision to farmers.</p>	<p>Ensure all infrastructure is complete with adaptive climate change specific details.</p> <p>Provide promotional unit costs for soil testing to assist farmers in optimum and wise use of biofertilizer.</p>	Integration of the value chain and improved marketing efficiency.	<p>2.3. Green finance</p> <p>2.2: Public Private Partnership</p>	No LAR impact. Land required is provided by the investor as equity. Land is either already held or will be purchased on the open market on basis of “willing seller – willing buyer”.

Source: Asian Development Bank.

IV. PROJECT RESETTLEMENT SAFEGUARD CLASSIFICATION

37. The ADB SPS (2009) requires screening for LAR impacts and a categorization made depending upon the extent of impacts anticipated. There are three categories:

- **Category A.** A proposed project is classified as category A if it is likely to have significant involuntary resettlement impacts. A resettlement plan, including assessment of social impacts, is required. A project’s involuntary resettlement category is determined by the category of its most sensitive component in terms of involuntary resettlement impacts. The involuntary resettlement impacts of an ADB-supported project 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).
- **Category B.** A proposed project is classified as category B if it includes involuntary resettlement impacts that are not deemed significant. A resettlement plan, including assessment of social impacts, is required.
- **Category C.** A proposed project is classified as category C if it has no involuntary resettlement impacts. No further action is required.

38. The CFAVC has been assessed as Category B for LAR safeguards. Proposed subprojects assessed as Category A under the ADB SPS (2009) during initial screening (considered to entail significant impacts), will not be ineligible under the proposed Project. Whilst some small land acquisition is envisaged under CFAVC, as discussed in Section III above, subproject screening and eligibility criteria exclude any subproject involving physical or economic displacement or relocation. In order to avoid or minimize the potential land acquisition impacts from project activities, only Category B or C subprojects will be selected for implementation (subject to other technical and economic criteria). As shown in Table 1, only minor impacts are expected from the

improvement of water distribution networks and also farm and irrigation access tracks. These improvements follow existing footprints, and in some subprojects, these will be extended. The impacts, namely loss of narrow strips of land, are offset against significant gains, particularly from water distribution networks. Benefits for AHH are discussed further under Section VII below.

39. In order to avoid or minimize the potential land acquisition impacts from project activities, only subprojects classified as Category B or C will be considered for implementation.⁷ The ADB Safeguard Policy Statement (SPS, 2009) applies to involuntary resettlement and as per the ADB's Resettlement Involuntary Resettlement Safeguards - A Planning and Implementation Good Practice Sourcebook – Draft Working Document (2012).

40. Where possible and available, land acquisition will be compensated on an equal land for land basis. In this option, the land area, condition, location to services, proximity to water, soils and other factors need to be considered. The project owner must give the affected household a choice of receiving replacement land or cash compensation. The land being offered in exchange must reach the expectation of the affected household. If not and no satisfactory replacement land is available, the affected household must be offered cash compensation to include any transaction costs related to a land purchase.

41. Where feasible, the project will acquire land for the subprojects using negotiated settlement based upon market values, or voluntary donation. Negotiated settlement is based on meaningful consultation with affected persons, including those without legal title to assets, and offers adequate and fair price for land and/or other assets. Negotiations with displaced persons must take into account the bargaining power of the parties involved in such transactions and in order to mitigate the risk of exploitation, an independent external monitoring agency (EMA) would be hired to perform case audits and document the negotiation and settlement processes. The borrower/client will agree with ADB on consultation processes, policies, and laws that are applicable to such transactions; third-party validation; mechanisms for calculating the replacement costs of land and other assets affected; and record-keeping requirements.

42. Involuntary land acquisition was not identified as an issue during feasibility study of the three representative subprojects; support to the farmers group vegetable processing hub, improvements to the mid-scale rice mill, or improvements to the bio-fertilizer factory (refer individual feasibility study reports), and as such, no LARP has been prepared. Instead, a separate Due Diligence Report prepared to outline the process followed to ensure that there were no LAR in the case of the three representative subprojects. Land acquisition is more likely to occur under irrigation rehabilitation and access road improvement subprojects that could be identified and taken up during project implementation.

43. Regarding irrigation and access road improvement, field enquiries during project preparation indicated that affected landowners expressed their preference to voluntarily donate small narrow strips of land. This would be a community contribution in order to secure the subproject which will improve water distribution as this will result in: (i) increased value of the land due to better irrigation facilities; and (ii) land that abuts the irrigation canals will receive a more reliable water supply due to proximity and installation of direct farm outlets; (iii) better irrigation will result in a higher crop yield; and (iv) reduced pumping costs. This will be confirmed during

⁷ Refer to Section V: Resettlement Planning and Implementation for definitions of safeguard categories.

detailed design stage and any voluntary donations or compensation would be subject to due diligence to ensure consistency with SPS principles.

V. RATIONALE FOR A RESETTLEMENT FRAMEWORK

44. This LARF sets out the criteria for screening subprojects on their resettlement impacts and provides guidance in preparing LARPs for eligible subprojects with insignificant resettlement impacts. It defines the objectives, principles, eligibility criteria and entitlements for affected households based on ADB's SPS (2009) and the government legislation. It describes entitlements and compensation and assistance, participation and consultation procedures and grievance redress mechanism (GRM) that will be employed to compensate and support affected households. It also outlines the procedure to assist affected households through the process of resettlement to enable them to attain an equivalent or better living standard than they had before the project.

45. The government's relevant regulation and legal framework and the ADB's involuntary resettlement policy, social safeguards and related operational manuals define the project's context for the planning and implementation of land acquisition, resettlement and compensation for affected assets and lost income, including measures for ensuring that affected households are able to restore their standards of living to at least pre-project levels.

46. If there is any gap or inconsistencies between the government laws, regulations and procedures relating to land acquisition and involuntary resettlement and ADB's SPS (2009), then the policy offering the affected person the higher standard will prevail. During the detailed design stages, should impacts be anticipated then this LARF will be used to inform the LARPs.

VI. APPLICABLE NATIONAL AND LOCAL LAWS, REGULATIONS, AND POLICIES

47. The legal and policy framework formulated in this LARF are built upon the laws and decrees currently enforced in Lao PDR and the relevant policies of ADB. This LARF will govern the LARPs that shall be prepared under the Project. From the laws and decrees of the government, these refer to: (i) the country's 1991 Constitution; (ii) the Road law (1999); (iii) the Land Law (2003); and (iv) Decree No. 84/PM on the Compensation and Resettlement Management in Development Projects (2016)

48. New instructions on environmental impact assessment and instruction on initial environmental examination in December 2013 will provide a comprehensive legal basis for development projects to conduct social assessment and plan/implement mitigation measures as needed.⁸ The Public Involvement Guidelines, approved by the Minister of the Ministry of Natural Resource and Environment in 2012, also provides a legal basis for people affected by development projects and concerned stakeholders to participate in project development and monitoring.

49. This LARF is guided by ADB's SPS (2009) and Involuntary Resettlement Safeguards, a Planning and Implementation Good Practice Sourcebook – Draft Working Document (2012). The provisions and principles adopted in this LARF will supplement the provisions of relevant laws and decrees currently enforced in Lao PDR (paras 11-14), wherever a gap exists.

⁸ These two ministerial instructions supersede the earlier environmental impact assessment decree, 2010.

A. Laws on Land Acquisition and Compensation in Lao PDR

1. The 1991 Constitution

50. The fundamental legal bases on ownership and management of land in Lao PDR are found in the country's 1991 Constitution. Relevant to the requirements in the LARF are found in the following constitutional provisions:

- **Article 6:** The State protects the freedom and democratic rights of the people which cannot be violated by anyone. All state organizations and functionaries must popularize and propagate all policies, regulations and laws among the people and together with the people, organize their implementations to guarantee the legitimate rights and interest of the people. All acts of bureaucracy and harassment that can be physically harmful to the people and detrimental to their honor, lives, consciences, and property are prohibited.
- **Article 8:** The State pursues the policy of promoting unity and equality among all ethnic groups. All ethnic groups have the right to protect, preserve and promote their customs and culture. All acts of division and discrimination among ethnic groups are prohibited.
- **Article 14:** The State protects and expands all forms of state, collective and individual ownership.
- **Article 15:** The State protects the right to ownership (rights to governing, rights to using or transferring) and all the rights to inherit the property of organizations and individuals. As for the land which is under the ownership of the national community, the State ensures the rights to using, transferring, and inheriting it in accordance with the law.
- **Article 28:** Lao citizen have the right to lodge complaints and petitions and to propose ideas with state organizations concerned with issues pertaining to the right and interest of both collectives and individuals. Complaints, petitions and ideas of the citizens must be considered for solution as prescribed by law.

B. Laws on Land Acquisition and Expropriation in Lao PDR

51. The LARF for the proposed project has referred to the laws of the Government of Lao PDR such as the Constitution (1991 and amended in 2015), the Road Law (1999), the Land Law (2003) relating to resettlement and land acquisition, and in particular, Decree 84, "Decree on Compensation and Resettlement Management in Development Projects", dated 5 April 2016 (which replaces the National Resettlement Policy Decree No 192/PM dated 7 July 2005). The new decree maintains general alignment with the ADB SPS. Any provisions contained in earlier regulations, such as the Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Projects (No. 2432/STEA, dated 11 November 2005), and Decree No. 699/PMO - Water Resources and Environmental Agency (WREA) dated 12 March 2010, on Compensation and Resettlement of the Development Project (Improved), that contradict the new Decree 84 are repealed.

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

51. 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.

52. 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; (ii) ensure that affected people are compensated, resettled and are assisted with livelihood alternatives; and (iii) improve living conditions to be better off or at the same level as well as contributing to the socio-economic status of the country.

53. In general, the main principles of the government policies on land acquisition, compensation, assistance and resettlement reflect those set out in ADB's SPS (2009), apart from those indicated in the policy gap table discussed further below. The most significant difference being the definition of severely affected. The new Decree 84 does not specify a specific trigger, whereas Decree 192) specified a loss of 20% or more of productive assets as a trigger. The ADB trigger is 10% (and this will prevail for this project). Otherwise, the government regulations seek to fully restore and improve livelihoods and minimize all disruption to communities. The regulations provide for full market value replacement cost, transparency, implementation of the compensation and mitigation action prior to commencing the project and also provide that a GRM must be disclosed.

54. The Water Resources and Environmental Administration through its Department of Environmental and Social Impact Assessment is responsible for ensuring effective implementation of the resettlement and environmental impact assessment decrees in close consultation with other line agencies and the provinces. The guidelines of the regulations cover all stages of development, from project identification and feasibility study through construction and operation of the project, which is either funded by the government and private investors or donors. They stipulate that where significant large or entire landholdings are affected by a project, such as agriculture, residential and commercial land, the compensation shall be land-for-land arrangement of equivalent size and productivity and must be acceptable to affected people and project owners. In case of affected assets other than land, compensation maybe cash on in kind needed to replace houses and infrastructure, without deduction for depreciation or value of salvaged building materials, or other assets on the land (crops and trees). In case of cash compensation, the amount should be at replacement cost.

55. The affected persons must be provided with other assistance during transition period, such as transport and food allowance, suitable development assistance and economic rehabilitation like income restoration measures enabling them to attain pre-project livelihood levels. These provisions are summarized in the following key policy points:⁹

- (i) They endorse the principle of compensation for all losses at replacement cost, in cash or in kind.
- (ii) They cover losses of or damage to structures, crops, trees and other assets located on affected land, loss of business and/or other sources of income.

⁹ Adopted from Land Acquisition and Compensation Framework (July 2008), Lao PDR: Small Towns Water Supply and Sanitation Sector Project, pp 10 and 11.

- (iii) They adopt the ADB standards to define affected persons, vulnerable groups and criteria and procedures to determine the eligibility of affected persons to entitlements for compensation, rehabilitation and/or resettlement assistance.
- (iv) They define the rights of affected persons without recognized land use rights; and establish compensation principles for, among other situations, partially affected assets, tenants and temporary losses.
- (v) They recognize the rights of affected persons as circumstance require to assistance for relocation individual and/or to group resettlement sites; and for economic rehabilitation and income restoration.
- (vi) The regulations set out the procedures for resettlement planning and social assessments, as well as preparation of strategies to address the needs of ethnic minorities and women affected by land acquisition.
- (vii) They establish the procedures that conform to ADB standards for consultation, information dissemination, disclosure and grievance redress as well as monitoring and evaluation (M&E).

D. ADB Safeguards Policy Statement

56. The objectives of the ADB Safeguard Policy Statement (SPS) 2009 are (i) to avoid impacts on people and the environment, where possible; (ii) where avoidance is not possible, minimize, mitigate, or compensate for adverse project impacts on the environment and the affected people; and (iii) help the executing agency strengthen its safeguard system and monitoring. ADB involuntary resettlement policy includes the following principles:

- (i) 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.
- (v) Develop procedures in a transparent, consistent, and equitable manner if land acquisition is through negotiated settlement.

- (vi) Ensure that affected persons without titles to land or any recognizable legal rights to land are eligible for resettlement assistance and compensation for loss of non-land assets.
- (vii) Prepare a resettlement plan elaborating on affected persons' entitlements, the income and livelihood restoration strategy, institutional arrangements, monitoring and reporting framework, budget, and time-bound implementation schedule.
- (viii) Disclose a draft resettlement plan, including supporting 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 resettlement plan and its updates to affected persons and other stakeholders.
- (ix) 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.
- (x) Pay compensation and provide other resettlement entitlements before physical or economic displacement. Implement the resettlement plan under close supervision throughout project implementation.
- (xi) 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 baseline conditions and the results of resettlement monitoring. Disclose monitoring reports.

57. Other relevant ADB policies that are relevant in the preparation of LARPs will include the (i) ADB Policy on Indigenous Peoples as set out in the SPS (2009); (ii) ADB Policy on Gender and Development (2006); and (iii) ADB's Public Communications Policy (2011). Under these policies specific regard must be given to the needs of indigenous people who may be impacted by the project, gender impacts from the project and details provided as to how these needs and special issues will be addressed and mitigated, as well as stakeholder communication, consultation and project information dissemination.

E. Other ADB Involuntary Resettlement-Related Policies

58. **Safeguards Requirements on Indigenous Peoples (2009).** 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.

59. **Policy on Gender and Development (2004).** The ADB's Poverty Reduction Strategy (2004) recognizes that improving the status of women is critical to any strategy to reduce poverty, and highlights gender as one of four important cross-cutting themes in ADB's poverty reduction work (good governance, private sector development, gender, environmental sustainability). The gender policy document contains a gender checklist as guidelines for resettlement which is currently applied and seeks to ensure meaningful engagement and consultation with women throughout the resettlement planning process. Specific to land acquisition and involuntary resettlement, they will be given equal opportunity in terms of participation in public consultation,

decision-making for development activities, equal compensation and special assistance measures.

60. **Public Communications Policy (2011).** It seeks the active participation of affected people and other stakeholders during the development and review of safeguard policies on ADB-assisted programs and projects. With respect to land acquisition and involuntary resettlement, the executing agency shall make available the LARP to affected people in the following manner, consistent with ADB's OM Section F1/OP (January 2010): (i) before project appraisal, the draft LARP; (ii) after completion of the LARP, the final LARP; and (iii) following revisions to the LARP as a result of detailed technical design or change in scope in the program or project, the revised LARP. The information from LARP can be made available in the form of brochures, leaflets or booklets in the local language/s. When affected persons include non-literate people, other appropriate communication methods will be used. The draft LARP, final LARP and revised LARP shall be publicly disclosed at ADB website.

61. **Accountability Mechanism (2012).** The mechanism is part of ADB's continued efforts to enhance its capacity in responding to and/or resolving the problems associated with the implementation of its policies in all programs or projects it assists. It consists of a consultation phase and a compliance review phase, by which the problems or issues raised by the affected people and/or stakeholders are investigated and resolved. The complaints can be written in any national language of the affected people and should be addressed to the concerned ADB operations department that has responsibility to the program or project. In Lao PDR, the complaints shall be addressed through the ADB Resident Mission in Vientiane City

F. Bridging the Gaps between Lao PDR Legislation and ADB Policy

62. Both Lao Law and ADB policies entitle affected persons to compensation for affected land and non-land assets at replacement cost. However, there is no definition of severely affected persons 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.

63. Both Lao PDR law and ADB policies entitle affected persons 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 1: Gap Analysis of Government of Lao PDR and ADB Policies

Item	Government of Lao PDR Decree 84	ADB SPS
Obligations of project owners	Strictly fulfil its social obligations	Avoid involuntary resettlement wherever possible; minimize involuntary resettlement by exploring project and design alternatives
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

Item	Government of Lao PDR Decree 84	ADB SPS
		land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected area.
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.
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)
Consultation and participation	<p>Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the value for compensation for land, constructed facilities, crop products, livestock and potential incomes and organize consultations with affected people</p> <p>Actively participate in the implementation of the plan of compensation, resettlement and rehabilitation of livelihoods.</p>	<p>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 and entitlements, and alternatives in timely way; gender inclusive and tailored to disadvantaged; incorporates views of APs and stakeholders.</p> <p>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.</p>
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.
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.
Voluntary contributions	Not included within the Decree	Not covered by the SPS
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
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.

ADB = Asian Development Bank, AP = affected persons, GRC = grievance redress committees, NGO = nongovernment organization.

Source: Asian Development Bank.

VII. Land Acquisition, Resettlement and Compensation Policy

A. Objectives

64. The project has prepared this LARF to lay out the purpose, principles, and procedures to be used in screening, planning, and implementing resettlement for any subproject or component of the project with resettlement or land acquisition impacts.

65. The project's entitlements, assistance and benefits presented below are governed by the laws and regulations of the government and ADB's SPS (2009) and take into account the extent of losses incurred by affected households resulting from acquisition of assets. The objectives of this LARF are to ensure that the following objectives are met:

- (i) adverse social and physical impacts of subprojects are avoided, minimized, and or mitigated;
- (ii) all affected households are provided with appropriate compensation and assistance for lost assets which will contribute to an improvement of, or at least maintain, their pre-project quality of life;
- (iii) nobody will be disadvantaged because of the project;
- (iv) improve, or at least restore the livelihoods of severely affected persons and vulnerable affected households; and
- (v) assistance to vulnerable groups.

B. Project Policies and Principles

66. In order to achieve the above LARF objectives, the project will adhere to the following resettlement policies and principles:

- (i) Involuntary resettlement and impacts on land, structures and other fixed assets will be minimized where possible by exploring all alternative options and identifying the option with the least impact on the population;
- (ii) No land acquisition or site clearing will be done inside the corridor of impact (COI) in anticipation or ahead of it being considered for implementation under the project. Similarly, no land acquisition or site clearing will be done inside the COI until and after the updated resettlement plan has been agreed upon by the government and ADB, and until and after all compensation and/or assistance in cash due to the affected households as provided for in this resettlement policy have been delivered;
- (iii) Compensation will be based on the principle of replacement cost;
- (iv) All the affected households without any discrimination confirmed to be residing in, doing business, or cultivating land or having rights over resources within the subproject affected area or land to be acquired or used for subproject during the conduct of inventory of losses (IOL) and census of affected households (prior to the cut-off date)¹⁰ are entitled to compensation for affected assets, incomes and businesses at replacement cost as specified in the entitlement matrix, and, depending on the severity of impact on their livelihood and income capacity, will be provided with rehabilitation measures to improve or restore their pre-project living standards, income-earning capacity and production levels;

¹⁰ For this project, the date of announcement of the subproject and the IOL will serve as the cut-off date.

- (v) There will be no deductions in compensation payments for land, structures or other affected assets for salvage value, depreciation, taxes, stamp duties, fees or other transaction costs;
- (vi) If ownership over any affected asset is under dispute, the compensation for the same will be held in a court designated bank until its lawful owner is decided by competent legal authorities;
- (vii) affected persons who are asset owners but allow others to use those assets are compensated for losses of those assets. Users of the assets would be compensated for loss of standing crops, loss of income from the asset for the course of the lease or rental agreement;
- (viii) affected households that lose only part of their physical assets will not be left with a portion that will be inadequate to sustain their current standard of living as determined by affected households together with project engineers during detailed design. If not adequate to sustain current standard of living, the entire asset will be considered as totally affected and will be acquired by the project;
- (ix) Affected shop owners, if any, will be assisted in gradually dismantling and setting up their shops in a new location to be agreed with the provincial resettlement committee (PRSC). If no other alternative exists, the affected person may temporarily move the shop to a residual area of the right of way (ROW) and in a way that will allow them to gradually phase out their operation in their present location place and gradually begin their operation in their temporary new place within the ROW until a permanent location is confirmed during detailed design. Under this arrangement, disruption in the operation of shop owners will be minimized, thereby averting severe impact on the affected households' livelihood. Land within the ROW is akin to public land and no individual household will have tenure over any land within the ROW. However, affected households presently cultivating plots inside the ROW will be allowed to continue cultivating the residual area of their cultivated plots in the ROW but outside the impact area per COI. If the detailed measurement survey (DMS) indicates that the loss of these farmers is equivalent to 10% or more of their total livelihood or income producing assets, the PRSC will replace land with similar productive attributes for the farmers to lease, or based on preference of the affected household. Availability to be confirmed during detailed design and DMS;
- (x) Temporarily affected land and communal infrastructure will be restored to pre-project conditions;
- (xi) Meaningful consultation will be carried out with affected households, indigenous households, affected communities and concerned groups to ensure participation throughout the resettlement process, from planning, implementation and operation of the project. Plans for the acquisition of land and other assets will be carried out in consultation with affected households who will receive prior information of the compensation, relocation and other assistance available to them. The comments and suggestions of affected households and communities will be taken into account;
- (xii) Any acquisition of, or restriction on access to, resources owned or managed by the affected households as a common property, e.g., communal forest, communal farm, will be mitigated by arrangements that will ensure access of those affected households to equivalent resources on a continuing basis;
- (xiii) There shall be an effective mechanism for hearing and resolving project-related grievances during the planning, updating and implementation of the resettlement plan;

- (xiv) The approved LARF and LARP will be disclosed to affected households and indigenous households in a form and language(s) understandable to them prior to submission to ADB;
- (xv) Resettlement identification, planning and management will ensure that gender concerns are incorporated;
- (xvi) Provide all affected households requiring relocation with required support including assistance and allowances, secure tenure to the relocated land, and improve living conditions at resettlement sites;
- (xvii) Special measures will be incorporated in the LARF and/or LARP to protect socially and economically vulnerable groups; Appropriate assistance will be provided to help affected households belonging to any of these vulnerable groups improve their socio-economic status;
- (xviii) Existing cultural and religious practices will be respected and preserved;
- (x) Culturally appropriate and gender-sensitive social impact assessment and monitoring will be carried out at various stages of the project;
- (xi) Adequate resources will be identified and provided during the preparation and updating of the subproject LARPs, including sufficient budgetary support in a timely manner to cover resettlement costs within the agreed implementation period; and adequate human resources for supervision, liaison and monitoring of land acquisition, resettlement and rehabilitation activities; and
- (xii) Civil works will not take place for any segment of the subproject, until (a) compensation has been fully paid to affected households; (b) agreed rehabilitation measures are in place; and (c) the acquired land is free from all encumbrances. Civil works contractors will not be issued notice of site possession for any section or segment until these conditions are fulfilled. The schedule of the start of civil works in any section or segment of the project will be coordinated and planned with the PRSCs.

C. Principles for Affected Property Valuation

67. All compensation will be based on the principle of replacement cost. Replacement cost is the amount calculated before displacement, which is needed to replace an affected asset without deduction for depreciation, taxes and/or costs of transaction as follows:

- (i) Productive land (agricultural and aquaculture) based on actual current market prices that reflect recent land sales in the area, or, in the absence of such recent sales, based on recent sales in comparable locations with comparable attributes, fees and taxes or in the absence of such sales, based on productive value.
- (ii) Residential land based on current market prices, which reflect recent land sales at the time of conducting the replacement cost survey (RCS), or, in the absence of such recent land sales, based on prices of recent sales in comparable locations with comparable attributes and fees and taxes for land.
- (iii) Houses and other related structures based on actual current market prices of materials and labor without depreciation or deduction for salvaged building materials.
- (iv) Annual crops equivalent to current market value of crops as per agreed RCS.

68. The overall objective of the project resettlement policy is to ensure that all people affected by the subprojects are able to maintain and, preferably, improve their pre-project living standards and income-earning capacity by providing compensation for the loss of physical and non-physical assets and, as required, other assistance and rehabilitation measures to re-establish affected

livelihood. For the proposed project and in support of the aforementioned objectives, the LARP major principles include but are not limited to:

1. Land Requirements and Acquisition

69. Acquisition of land and other assets, and resettlement of people will be avoided or minimized as much as possible by identifying possible alternative design and engineering options for subprojects. There should be no land acquisition or site clearing along the corridor of impact in anticipation of a subproject. No demolition of assets and/or entry to properties will be done until the affected household is fully compensated and relocated.

2. Eligibility and Cut-off date

70. All the affected households identified in the project-impacted areas on the cut-off date (as validated and confirmed during the DMS), will be entitled to compensation and/or assistance for their affected assets as described in the section below. Those who encroach into the project area and build any new structure after the cut-off date will not be entitled to compensation or any other assistance. The cut-off date will be advised to the Village Committee and also announced at community information dissemination and consultation meetings leading up to feasibility study and prior to carrying out the DMS. The actual cut-off date should be 1 week before the DMS is carried out. Village officials will be requested to make announcements over the village public address system.

3. Negotiated Settlements

71. The ADB SPS (2009) on Involuntary Resettlement does not apply to negotiated settlements unless expropriation would result in the failure of negotiations. This LARF recognizes the consultation processes, policies, and laws of the that are applicable to such transactions and ADB SPS (2009) requirements such as asset value calculation basis, third party validation, proper record keeping, and overall transparency.

72. A negotiated settlement will offer adequate and fair price for land and/or other assets. The borrower/client will engage an independent EMA to monitor the negotiation and settlement processes in order to ensure that any negotiations are open and fair.

D. Voluntary Land Contributions

73. Voluntary donation or contribution is usually restricted to non-productive land, with donation of productive land only acceptable in special cases where minor losses are vastly outweighed by direct benefits to the affected household. Voluntary land acquisition for the project can be applied following the recommended good practice principles in the tables below. The voluntary land contributions donation forms, signed and witnessed, will be appended to the subproject's LARP.

74. This project will recommend as good practice to adopt guidelines developed by the ADB¹¹ and also applied in previous ADB supported irrigation projects¹² in Laos for voluntary donations: land donated is restricted and must not exceed 100 m² or exceed 5% of the productive land held by the AHH, must not hold structures or income producing tree crops. In addition to the usual involuntary resettlement/land acquisition screening checklists, an additional checklist has been

¹¹ ADB. 2012. *Involuntary Resettlement Safeguards A Planning and Implementation Good Practice Sourcebook (Draft Working Document)*. Manila.

¹² Northern Rural Infrastructure and Additional Financing Project

developed based on the guidelines for voluntary donation. It is recommended to apply this additional checklist to any subproject involving voluntary donation to substantiate its bona fides. Both checklists are provided in Annex 1.

75. It is recommended that the following guidance notes be applied when considering voluntary donations:

Table 2: Criteria and Guidance Notes on Voluntary Donation of Non-Productive Land

Criteria	Guidance Notes
The affected households are aware of compensation entitlements for involuntary land acquisition and grievance redress mechanism (GRM)	<ul style="list-style-type: none"> • Communities are advised of the ADB and the government policies for resettlement and land acquisition in regards to compensation, negotiated settlement and donation. • Communities made aware of the GRM and how it is triggered
The impacts are marginal (based on percentage of loss and minimum size of remaining assets)	<ul style="list-style-type: none"> • The land donated does not exceed 5% of the total land owned by the affected household. • The land donated does not result in uncompensated permanent non-land assets. • Donation of residential land will only be accepted if the total land owned by the household is not less than 100 m². • That the 5% donation is not seen as a mechanism to reduce the % of impact.
Impacts do not result in displacement of households or cause loss of household's incomes and livelihood	<ul style="list-style-type: none"> • Only secondary structures are affected; there is no physical relocation of household due to the project and land donation. • The affected household does not fall under the category of poor or vulnerable.
The households making voluntary donations are direct beneficiaries of the project	<ul style="list-style-type: none"> • Both positive and negative impacts of the project on the affected household are considered. • The affected household can identify the project's direct benefits to them.
Land donated is free from any dispute on ownership or any other encumbrances	<ul style="list-style-type: none"> • The affected household has recognized legal tenure. • The land is not being occupied and/or used by any other party. • The land is not in dispute for its ownership.
Consultations with the affected households is conducted in a free and transparent manner	<ul style="list-style-type: none"> • The affected household are informed that they have the right to receive compensation for their land and the equivalent amount of compensation for the land they wish to donate. • The affected household receives clear and adequate information on the project, and participates in the project planning. • Provisions on voluntary donation are integrated into the decision-making process at community level.
Land transactions are supported by transfer of titles	<ul style="list-style-type: none"> • Official land ownership document is updated.
Proper documentation of consultation meetings, grievances and actions taken to address such grievances is maintained	<ul style="list-style-type: none"> • Agreement is properly documented with signatures of affected person, name of the borrower and/or client and witnesses. • Consultation meetings, grievances and actions taken to address such grievances are properly recorded.

Source: Asian Development Bank.

Table 3: Additional Criteria and Guidance Notes on Voluntary Donation of Productive Land

	Criteria
1.	The subproject site is selected in full consultation with landowners and any non-titled affected people.
2.	Voluntary donations do not significantly affect the living standards of affected people and the amount of agricultural or other productive land to be acquired from each affected household does not exceed 5% of the total productive landholdings of the household.
3.	Voluntary donations are linked directly to significant benefits for the affected household.
4.	All voluntary donations will be confirmed through written record and verified by an independent third party such as the external monitoring organization.
5.	There is an adequate grievance process.
6.	The voluntary donations will not cause any involuntary resettlement of formal or informal land users, squatters or encroachers of the land.
7.	No affected household is vulnerable.

Source: Asian Development Bank.

76. The key principle in voluntary donation is informed consent and power of choice. Informed consent means that the person involved is fully knowledgeable about the project and its implications and consequences and freely agrees to participate. Power of choice means that the person involved has the option to agree or disagree with the land acquisition, without adverse consequences being imposed formally or informally by the project proponent. Power of choice is only possible if the project location is not fixed.

77. Households have the right to refuse any land donation, and where a household does not wish to lose land, an alternative alignment or location will be used where possible. In this option, the land area, condition, location to services, proximity to water, soils and other factors need to be considered. The project owner must give the affected household a choice of receiving replacement land or cash compensation. The land being offered in exchange must reach the expectation of the affected household. If not and no satisfactory replacement land is available, the affected household may prefer to take cash at full market replacement value. The project policy will be to exclude any subprojects that result in any major impacts or any significant involuntary land acquisition or physical and economic displacement. If subprojects are otherwise identified but assessed as Category A for safeguard area 2, they will not be financed by the project.

78. Where necessary, the project will acquire land for the subprojects using negotiated settlement based upon market values, or voluntary donation. Negotiated settlement is based on meaningful consultation with affected persons, including those without legal title to assets, and offers adequate and fair price for land and/or other assets. Negotiations with displaced persons must take into account the bargaining power of the parties involved in such transactions and in order to mitigate the risk of exploitation, an independent external monitoring agency (EMA) would be hired to perform case audits and document the negotiation and settlement processes. The borrower/client will agree with ADB on consultation processes, policies, and laws that are applicable to such transactions; third-party validation; mechanisms for calculating the replacement costs of land and other assets affected; and record-keeping requirements.

E. Benefits to AHHs

79. As mentioned, benefits to AHH are expected to far outweigh the value of any land voluntarily handed over by the AHH to the project. Significant direct benefits to an AHH could include:

- (i) First access to water
- (ii) Water offtakes installed on all impacted plots abutting the constructed canal channels
- (iii) If tertiary canals are concrete, reduced labor and maintenance needs
- (iv) If they are replacing earthen channels, a slight increase in crop area
- (v) Better water supply management and improved water distribution providing better yields
- (vi) Increased plot value due to irrigation access.
- (vii) Transforms non-productive or marginally productive land into productive land with the availability of water.
- (viii) Securing the wet season crop by providing supplementary irrigation when needed.
- (ix) Significant economic and financial returns from dry season cropping not previously available to the HH without the newly constructed, extended or rehabilitated canal.
- (x) In the case of roads, improved access, more convenience, less travel time, easier transportation of crops from field to village and collection points.

F. Due Diligence for Voluntary Land Donation

80. It is imperative that the voluntary donation modality is not abused and treated as a “no cost acquisition” modality. It must only be applied under bona fide cases where the causal link between project intervention and the AHH obtaining a direct benefit can be demonstrated. In cases of voluntary donation, Due Diligence will commence with full public disclosure undertaken to ensure that land owners are fully aware of project policies regarding LAR, resettlement planning procedures as well as the GRM. Due Diligence will require meetings with affected households to ensure that they understand their rights.

81. Whereas a full LARP may not be required under ADB’s SPS (2009) for voluntary donation and category C SP’s, the issue in respect of VLD is to demonstrate and ensure that the AHH agrees that project benefits significantly more than offset the value of the donated land, and the AHH has agreed to donate willingly in order to secure those benefits. During Due Diligence, the executing and implementing agencies preparing the LARP must demonstrate that the AHH donating land will enjoy such direct benefits, and are obliged to: (i) verify that the donation is in fact voluntary and did not result from coercion, using verbal and written records and confirmation through an independent third party such as a designated nongovernmental organization or legal authority; and (ii) ensure that voluntary donations do not severely affect the living standards of affected persons and benefit them directly.

82. Voluntary donation forms will be prepared in Lao script, signed by the AHHs and witnessed by village, project and district officials. All land acquisition actions under the Project, and particularly under donation, and any land for land exchanges will be subject to verification by an independent external monitor. Verification will cover an adequate representative random sample of the affected households who voluntarily donated the land. Depending upon the number and scale of each SP, this verification may be done internally or through an EMA as agreed between the EA ADB.

83. Once the informed consent of the affected people has been confirmed in writing, both husband and wife of the affected HH sign the form in the presence of the third party, and the affected HH keeps one original signed form.

84. Implementation of subprojects involving VLD starts only once the assigned authority (village committee, resettlement committee, etc.) has approved the signed voluntary donation forms. If affected people are unwilling to donate assets without compensation, or if impacts go beyond the threshold for voluntary donations occur, compensation should be paid accordingly.

85. All land acquisition actions under the project, and particularly under donation, and any land for land exchanges will be subject to verification by an independent external monitor. Verification will cover an adequate representative random sample¹³ of the affected households who voluntarily donated the land. Depending upon the number and scale of each subproject, this verification may be done internally or through an EMA as agreed between the executing agency and ADB. Sample terms of reference for the EMA is in Annex 6.

VIII. RESETTLEMENT PLANNING AND IMPLEMENTATION

A. Screening

86. As indicated in Table 1 previously, it is envisaged that only Activity 1.1: Rehabilitating small scale irrigation infrastructure and rural roads to climate resilient condition (irrigation rehabilitation and access road improvement subprojects) will involve any land acquisition. Activity 1.2, Enhancing crop research, protection and testing infrastructure, will be implemented on government facilities that already have sufficient land for the construction and installation. Under Activity 1.3, Improving climate friendly value chain infrastructure for agribusiness enterprises, private sector investors will provide their own land or purchase additional lands on the open market and the land form part of the investor's equity in the subproject under a public-private partnership initiative.

87. As previously mentioned, only Category B and C subprojects will be accepted for implementation. Initial subproject screening must be undertaken as early as possible during the identification and scoping process, and then further refined as the subproject is better defined and engineering designs become available, using the screening checklists provided at Annex 1, and the subproject categorized as either:

- (i) Category A. A proposed subproject is likely to have significant involuntary resettlement impacts, 200 or more persons will be physically displaced from home, 200 or more persons lose 10% or more of their productive or income generating assets, or 200 or more persons experience a combination of both.
- (ii) Category B. A proposed subproject includes involuntary resettlement impacts that are not deemed significant.
- (iii) Category C. A proposed subproject has no involuntary resettlement impact.

88. Category A subprojects will be excluded, and only Category B or C subprojects will be financed under the project. The screening checklists should be attached to the LARP where involuntary resettlement is concerned, and to the due diligence report if concerning voluntary

¹³ The number of households covered by the verification may rise or fall, depending on the total number of affected households who donated. The often "acceptable" margin of error used by survey researchers falls between +/- 4% and 8% at the 95% confidence level. The 95% confidence level means that there is a 95% chance that the difference is real and not just a quirk of the sampling. If we repeated the study 100 times, 95 of the samples drawn would yield similar results. Websites that can be used to calculate the required sample size for a population (N), include <http://www.raosoft.com/samplesize.html>, <http://www.calculator.net/sample-size-calculator.html>

donations of land. The information required under the due diligence report is detailed further in the following sections below.

B. Feasibility Study

89. Where the feasibility study identifies land acquisition and resettlement issues in accordance with a Category B assessment, a LARP is prepared based on initial surveys and the policy requirements in the approved LARF. A LARP shall be prepared for each affected subproject and shall follow the table of content as outlined in ADB's SPS (2009):

- (i) Executive Summary
- (ii) Project Description
- (iii) Scope of Land Acquisition and Resettlement
- (iv) Socioeconomic Information and Profile
- (v) Information Disclosure, Consultation, and Participation
- (vi) Complaints and Grievance Redress Mechanism
- (vii) Legal and Policy 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

90. More details of the information required under each section of the LARP is contained in Annex 5. The LARP shall be prepared based on the DMS, RCS in accordance with the principles and procedures outlined in this document. Completed LARPs are approved by the PRSC and then submitted by the EA to the Ministry of Natural Resources and Environment (MoNRE) for approval prior to being submitted to ADB for concurrence. The final LARP will be implemented after approval and construction can be started after compensation has been paid and rehabilitation measures are in place.

91. After the approvals required by relevant government departments, the LARP submitted by the implementing agency will be submitted to ADB for consideration. The LARP shall be prepared based on the DMS, RCS in accordance with the approved LARF, and submitted to ADB for approval. The final LARP will be implemented after approval and construction can be started after compensation has been paid and rehabilitation measures are in place.

C. Infrastructure Planning and Design

92. The engineers will prepare initial layouts for proposed rehabilitation of existing and/or construction of new infrastructure. These will 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, feedback during site visits can be collected from residents of the subproject's villages. These pre-feasibility designs have to be reviewed for potential land acquisition and resettlement impacts of the proposed subproject scope. The subproject physical design at feasibility level can then be refined to avoid or minimize, as far as possible, the resettlement impacts and effects of the proposed subproject's rehabilitated or new infrastructure.

D. Initial Consultation with Potentially Affected Households

93. Initial consultations with the community during identification and scoping serve a number of purposes which include providing communities in the subproject area about the project and subproject, regarding its overall objectives and goals, and also informs them of how their participation will be sought during the design stage in order to incorporate their interests and design preferences. Where the subproject will proceed to feasibility it is necessary to inform them of the process that will be followed in preparation of the subproject. At feasibility study, preliminary engineering designs have been prepared which indicate the scope of land acquisition and those households likely to be affected.

94. Once the preliminary engineering designs are available, potential impacts on land, acquisition needed and compensation and resettlement for the subproject implementation will be brought up for discussion in a meeting with the community. It is then necessary to conduct additional specific meetings with relevant households whose land would be affected by the proposed rehabilitation or construction. Safeguard specialists assist project engineers to disseminate and discuss preliminary engineering designs with the community and particularly with affected households. The meetings will seek to clarify: (i) the justification of the proposed subproject rehabilitation or construction works considering the anticipated resettlement impacts; (ii) mitigation measures to restore the affected households' livelihoods and standard of living; and (iii) assistance from the community or the district administration to plan, agree and implement the mitigation and support measures for affected households. The consultations should also cover the villages' views on measures to mitigate the anticipated impacts including compensation, design alternatives to reduce impacts should be discussed at this time. The affected households should also be advised of the data collection process that will take place in preparation of the LARP, such as the socio-economic survey and particularly the DMS. More detail on consultation is provided in Section X – Consultation, Participation and Disclosure.

Table 4: Surveys for Resettlement Plan Preparation

Type of Survey	Details to be Surveyed
1. Socio-Economic Survey (SES)	<p>At a minimum, the SES will collect information from a sample of household questionnaire, usually covering a 20%– 25%¹⁴ sample of affected persons, disaggregated by gender and ethnicity. The purpose of the socioeconomic survey is to provide baseline data on affected persons 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"> (i) Household head: name, sex, age, livelihood or occupation, income, education and ethnicity; (ii) Household members: number, livelihood or occupation, school age children and school attendance, and literacy, disaggregated by gender; (iii) Living conditions: access to water, sanitation and energy for cooking and lighting; ownership of durable goods; and (iv) Access to basic services and facilities.
2. Detailed Measurement Survey (DMS)	<ul style="list-style-type: none"> • The census and DMS of lost assets will collect data on the affected assets from 100% of affected persons following detailed engineering design. The data collected during the DMS will constitute the formal basis for determining affected person entitlements and levels of compensation. For each affected person, the scope of the data will include: <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; • Summary data on affected person households, by ethnicity, gender of head of household, household size, primary and secondary source of household income in relation to poverty line, income level, 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; and • Affected person knowledge of the subproject and preferences for compensation and, as required, relocation sites and rehabilitation measures.
3. Replacement Cost Survey	<p>The replacement cost survey (RCS) will be done in parallel with DMS and SES 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 continuously updated to ensure that affected persons receive compensation at replacement cost at the time of compensation payment.</p>

Source: Asian Development Bank.

E. Inventory of Losses

95. Potential impacts of subprojects are initially estimated through an IOL survey based on the preliminary design, and a census of all households potentially directly or indirectly affected by permanent acquisition of fixed assets. These surveys are based upon the preliminary design and

¹⁴ ADB. 2012. *Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook (Draft Working Document)*. Manila.

are conducted in parallel with the LARP's socio-economic survey. The IOL collects both quantitative and qualitative data and information on compensation and resettlement, based on visual assessment and information collected from the community and potential affected households.

96. The IOL covers all fixed assets (i.e., land 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.), which are located in the subproject construction area (e.g., COI for irrigation subprojects). These will be identified, tagged, measured and their owners, and users if a different party, identified. Affected Households will receive a copy of the IOL and be required to confirm its accuracy. As mentioned earlier, it is possible that asset owner and asset user are different people and both are affected, and both entitled to some compensation. 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 also 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.

97. The announcement of the subproject and the IOL will also signify the cut-off-date for eligibility for any land acquisition compensation. Affected households will be informed of the cut-off-date in prior consultations and information will be included in materials disclosed. The IOL is to be conducted by staff of the provincial and district departments of agriculture (PAFO and DAFO) and local authorities with support of village representatives and in collaboration with the feasibility study consultants. The consultants will need to provide prior training to the line agency staff.

98. The IOL undertaken at feasibility study stage of subproject preparation will be updated based on the DMS once the detailed engineering designs have been finalized and approved.

F. Socioeconomic Survey of Potential affected households

99. Socioeconomic information of affected households will be obtained through a socio-economic survey (SES) and an example of an affected household SES is attached (Annex 3). The SES will serve as a referenced baseline of affected household's living conditions and will form part of the M&E data that will assess the extent to which the measures in the LARPs are effective in mitigating land acquisition and resettlement impacts. The SES has to be conducted by the project management and implementation consultants in cooperation with staff of PAFO and DAFO and local authorities with support of village representatives and is supervised by the social safeguard specialists.

100. The SES shall be conducted in parallel with the IOL survey so that the IOL and survey of potentially affected households will constitute the social assessment and the SES will include gender and ethnic disaggregated data. The SES provides the baseline data and information on the affected households and benefitting villages of subprojects. ADB's Involuntary Resettlement Good Planning Sourcebook (2012) suggests the following data to be collected:

1. Data on affected households

- (i) demographic (household composition by age, gender, relationship, ethnicity education levels);
- (ii) social (corporate groups such as family, lineage, clan, community, and non-corporate such as caste, class, ethnic, religious groups);

- (iii) income and assets (individual, corporate, or collective incomes as well as ownership of land, livestock, fishing boats, shops, wood lots, among households) as well as expenditures;
- (iv) occupation (farmers, teachers, shopkeepers, artisans, laborers, transporters, students, spiritual leaders, etc.);
- (v) access to public services (health care, water supply and sanitation, education, transport, etc.);
- (vi) gender roles and issues; and
- (vii) attitudes and preferences on resettlement.

2. Data on Land and Area

- (i) map of the area and villages affected by land acquisition;
- (ii) total land area acquired from each affected households for the proposed project;
- (iii) map of affected area showing each affected household impacted land plots if possible;
- (iv) land type and land use;
- (v) ownership, tenure and land-use patterns;
- (vi) land acquisition procedures and compensation;
- (vii) existing civic facilities and infrastructures; and
- (viii) cultural systems and sites.

101. The LARP related SES covers all potential affected households and establishes baselines to be used in LARP implementation monitoring. This is separate from the overall project socio economic survey that establishes project wide baselines from all beneficiaries.

G. Reporting Due Diligence at Feasibility Study Stage

102. Due diligence will be demonstrated through the provision of details of all community consultations in the feasibility report, and under the Public Consultation section of the LARP when prepared, regarding;

- (i) Community consultation meetings at which the subproject concept, impacts and design are presented and discussed with the community;
- (ii) Details of number of households represented by men and women attending the meeting must be shown;
- (iii) Details of comments and feedback from these participatory meetings are to be reported;
- (iv) Meeting with community to identify affected household;
- (v) Number of men and women who agree and those who disagree must be recorded, and where possible, the reasons for disagreement should be shown;
- (vi) Participatory Inventory of losses undertaken;
- (vii) Details of all meetings to present and discuss the preliminary design must similarly be recorded along with numbers of men and women participating, agreeing and or disagreeing with the preliminary design; and
- (viii) In all meetings list of participants disaggregated by sex and indicating agreement or disagreement with project concept and preliminary design. If there are any objections that cannot be reconciled through design revisions, the subproject is dropped.

H. Detailed Design

1. Updating the Resettlement Plan

103. The LARP will be updated based on the detailed engineering design and DMS. The DMS is only possible when the detailed designs have been finalized and the extent of land to be acquired accurately defined. The outline of this updated LARP remains the same. The finalized detailed design must be presented to, and discussed with, the community and particularly with affected households.

104. Tender Design. The subproject's LARP will be prepared and finalized based on the approved LARF, DMS and the RCS after the completion of the detailed design for each subproject. A final review of design adjustments will take place to incorporate possible modifications in the engineering and design and also last adjustments in land requirements and acquisition. This will permit the final LARP update to be limited only to those households finally affected by the subproject through land acquisition.

105. **Consultation with affected households.** Before the commencement of the DMS, consultations with affected households shall take place. The RCS shall also be conducted during the DMS. The working group under the lead of the PRSC will conduct negotiations with each affected household to reach agreement on compensation, relocation, and livelihood improvement program that are in accordance with this LARF and make contract with each affected household.

106. **Detailed Measurement Survey (DMS).** The DMS can be carried out upon completion of the detailed engineering design, as it is this detailed plan which is used as the basis for detailed topographical surveys and will indicate actual canal or route or infrastructure alignment, location and positioning. It is only at this stage that affected households can accurately measure the land that will be acquired and therefore compensated. Depending on the availability of data and information of the infrastructure, the IRC working group together with the PRSC-working group can carry out the DMS under the lead of the IRC. The DMS requires a physical measuring of land areas being acquitted or donated, as well as a physical count and inventory of any income producing assets that will be acquired and need to be compensated. The NPMO will help coordinate this task with the detailed design and supervision consultant. It will also have an internal monitoring role.

107. The DMS will collect additional data to verify the details on affected people and relevant information, which are presented in the final LARPs. The DMS will include 100% of affected households and collect data required to verify the details of affected households for finalizing the LARP, including details on:

- (i) Land ownership;
- (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) Number and types of trees and crops;
- (vi) Income losses and proportion of total productive income lost; and
- (vii) Category of affected people i.e. nature of assistance to which affected persons are entitled.

108. The LARP will include the cost estimates of compensation and other activities resulting from livelihood restoration or relocation. The final LARP will be submitted to IRC and ADB for

review and approval. Land acquisition, construction, compensation and relocation of affected households cannot begin before the approval of the final LARP by the PRSC and ADB. Annex 4 contains an example of the forms used to record affected household data under the DMS.

109. **Replacement Cost Survey (RCS).** RCS refers to the amount in cash or in kind needed to replace an asset in its existing condition, without deduction of transaction costs, depreciation, or for any material salvaged, at market value, or its nearest equivalent. Based on the government regulations, the NPMO will provide technical assistance to the PAFO and DAFO to conduct an RCS in the subproject areas during the DMS in order to determine compensation rates reflecting current market prices for (i) agricultural, residential and commercial land; (ii) different types of affected structures; and (iii) crops and trees. The RCS in the subproject areas is valid for 2 years and will be updated 2 years after the completion of DMS if the compensation and/or assistance are not provided to the affected household. The RCS results will be the basis for estimating resettlement costs.

110. **Compensation Amounts Calculated.** A sample of the forms prepared based upon the DMS and RCS that are used to calculate all compensation and LARP implementation costs are provided in Annex 5. The amount of compensation agreed to with each affected household is detailed on these forms. The forms are also used in monitoring and auditing LARP implementation.

2. Further Consultations After Detailed Design

111. Details of all meetings held with the community to discuss the detailed design will be reported in the LARP. The details must include as a minimum:

- (i) Record of the households attending with names of husband and wife and record of agreement or disagreement with the detailed design;
- (ii) Record details of issues, changes required to engineering designs, other suggestions;
- (iii) Conduct participatory cost replacement study;
- (iv) Details of any complaints received through the grievance redress procedures;
- (v) If no objections or complaints, the detailed design is used to conduct a detailed measurement study – this identifies the specific household and how much land is required from the affected household; and
- (vi) Each affected household is asked to sign an acknowledgement of the total LARP compensation to be received, and or a voluntary land donation or land exchange agreement (Annex 2) which is witnessed by the village chief and also the DAFO. These signed forms are attached to the final detailed design and submitted to executing agency and ADB for approval to proceed to subproject implementation.

IX. LARP IMPLEMENTATION PROCESS

112. The implementation of the approved LARP will involve the tasks outlined below. The subproject construction work cannot be started until the compensation and other assistance are provided to the affected household.

113. **Compensation Payment.** After signing contract with Affected People, the Provincial Department of Finance through the PRSC will request compensation budget. Then, the PRSC

working group in coordination with PPIU working group will make compensation payments to affected households. An external monitor to be recruited by the NPMO will observe this activity.

114. **Relocation.** Under the project, relocation of potential affected households is not anticipated. As per subproject selection criteria to be used throughout project implementation, any subproject requiring physical displacement of an affected household will not be accepted.

115. **Livelihood Restoration.** Although not envisaged under the project due to limited and insignificant impacts and subproject selection criteria, where necessary, livelihood restoration for all severely affected households will be implemented by a consulting firm and/or a nongovernment organization (NGO) to be recruited by NPMO as part of LARP implementation. Livelihood restoration activities and or support are identified through a participatory process with each affected household. This consultation can take place during the conducting of the SES and DMS. It is important that both husband and wife are part of this participatory consultation, and following individual affected household consultations, a meeting of all affected households should be called to discuss the findings and needs for the livelihood restoration support. The Project national safeguards specialist will oversee and monitor the implementation. Some livelihood restoration activities may carry over until subproject implementation.

X. CONSULTATION, PARTICIPATION AND DISCLOSURE

116. During the feasibility study, implementation and operation phases, the consultation, participation and disclosure activities form a continuous process. Concerning LAR 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 affected households and not-affected households and families.

A. Consultation

1. Principles to Apply

117. 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.

118. 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.

119. 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

120. 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

121. 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.

122. 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.

123. 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.

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

4. Public Hearings and Announcements

125. 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 affected households and other stakeholders in the subproject area. In the case of subprojects with significant resettlement impacts, additional separate consultations with severely households and vulnerable groups shall be organized. The purpose of the public meeting is to provide information on (i) the objectives and benefits of the proposed subprojects; (ii) the scope and requirements for land acquisition; (iii) rights and entitlements; (iv) compensation rates and allowances for different

types of losses; (v) procedures and schedules for implementation of the RP; and (vi) 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.

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

5. Discussions during LARP Related Surveys

127. 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.

128. Following consultations during the IOL and SES a second round of consultations shall take place, specifically with affected households. 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.

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

6. Compensation Related Sessions

130. Where possible or requested, payments shall be carried out through bank transfers to minimize the release of cash. The affected households 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 affected households/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 EA 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

131. 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

132. Community participation throughout the different subproject phases is a necessary standard procedure for this project. The engagement of villagers in planning and implementing of LAR 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.

133. 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.

134. 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 LAR related implementation.

135. 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.

136. 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 project's monitoring approach will evaluate the consultation component of each subproject.

C. Disclosure

1. To Ensure Basics

137. 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.

138. 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 LAR activities to be carried out.

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

2. Selected Relevant Actions to Achieve

140. 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 resettlement plans 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 publicly accessible.
- (iii) The RPs, DDRs, resettlement monitoring reports, and the social safeguards monitoring reports will be 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 affected persons.
- (v) Initial disclosure meeting with affected households to discuss the results of the IOL.
- (vi) Second disclosure meeting/consultation with affected households to discuss results of DMS and discuss the resettlement policy, entitlements and relocation.
- (vii) Others as needed or required by study or implementation phases.

3. Information Dissemination and Consultations

141. Dissemination of information and consultations with affected persons will occur at different points in the preparation and implementation of the subprojects, to ensure that affected persons 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.

142. The executing agencies 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. Written records will be maintained for all meetings and consultations.

143. The scope of information to be provided to affected persons 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:

144. A public information meeting prior to the data collection for the affected person census, DMS and SES, to provide affected persons and other stakeholders with information regarding the scope and objectives of the subproject; the policies, principles and procedures for the land acquisition and compensation plan (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.

145. Consultations with severely affected and/or vulnerable affected persons that have been identified during the affected persons 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 affected persons 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.

146. 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 affected persons and other stakeholders about the scope and provisions of the LACP.

147. The village development committees will ensure that APs are notified about resettlement activities, including: (i) all public meetings and consultations, at least two weeks in advance; (ii) the DMS and other fieldwork, at least two weeks in advance and the requirement for affected persons to participate in the DMS; (iii) affected person 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 affected persons; and, radio announcements. The DRC will be responsible for the disclosure of the LACP to the affected persons 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.

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

149. Public consultation, participation and disclosure activities form a continuous process during the feasibility study, implementation and operation phases. A public information booklet will be prepared and disclosed to the affected household during public consultation before DMS.¹⁵ The consultation activities will ensure that:

- (i) Consultation takes place early and happens continuously throughout the duration of the project to ensure that affected persons are fully informed.
- (ii) Information is relevant and disclosed in a timely manner. Such information should cover the (a) nature of the project, (b) the scope of and reason for land acquisition, (c) the resettlement objectives and entitlement matrix (detailed provisions to be negotiated), (d) the choices available regarding the future, (e) the right of the

¹⁵ The public information brochure must be written in Lao language and must contain the following information: (i) project background, specifically about civil works to be done; (ii) results of the IOL; (iii) entitlements due to the affected households; (iv) bases for computing compensation for affected assets; (v) schedule of delivery of entitlements and displacement; (vi) grievance redress mechanism; and (vii) contact persons at NPMO and PPIU.

displaced to participate in resettlement planning and implementation, and (f) the grievance mechanisms to be put in place.

- (iii) There should be no intimidation or coercion of affected persons.
- (iv) Consultation should be gender-inclusive and tailored to the needs of the disadvantaged and vulnerable.
- (v) All relevant views should be considered in the decision-making process.

150. **Principles to Apply.** Public consultation is an approach for managing dialogue between the project proponent and the public and is undertaken to improve decision-making and understanding through active involvement of affected individuals and groups. Community consultation largely focuses on the different activities involved in resettlement planning. It includes, but is not limited to:

- (i) Project information;
- (ii) affected household entitlements;
- (iii) Grievance process; and
- (iv) Project implementation schedule.

151. Consultation promotes the involvement of affected households in project planning and implementation. Community consultation should include the following main features:

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

152. People affected through land acquisition and/or construction work by the subproject have to be involved in resettlement and compensation planning through consultation at village and household levels during the preparation of the LARPs. Consultation regarding potential mitigation measures for resettlement requirements the during study and implementation phases increases the chances for a collaborative understanding between involved governmental staff and villagers.

153. Public consultation will focus on (i) project benefits and impacts; (ii) scope of land acquisition, and land purchase (DMS); (iii) compensation policy; (iv) entitlement matrix, relocation and compensation schedule; (v) livelihood restoration if applicable; and (vi) grievance process. The following table provides details of the consultation activities needed.

Table 6: Consultation Activities

Project Process	Participatory Activities/Participants	Responsible Institution
Preparation - Pre- and Feasibility	Briefing of the provincial, district, and village officials; and stakeholders about the project, the resettlement policy, and the activities of the consultants.	NPMO, PPIU, consultants
	Conduct of IOL, preliminary inventory of affected persons, social impact assessment, and RCS.	PPIU, DPIU and consultants, assisted by village officials, professional appraiser
	Discussion with Ministry of Finance and NPMO about the proposed project resettlement policy.	NPMO

Project Process	Participatory Activities/Participants	Responsible Institution
	Initial disclosure meeting with affected households to discuss the results of the IOL and gather suggestions on how to minimize and mitigate impacts, and discuss about relocation options.	PPIU, DPIU and consultants, assisted by village officials
	Drafting of the resettlement plan and project information brochure and submission to NPMO, NSC and ADB for review and approval.	NPMO and consultants
	Distribution of information leaflets to affected households, posting of summary resettlement plan at district and sub-district local government offices.	PPIU, DPIU and Consultants
Updating and Implementation		
Drafting/Finalization of technical design	Set-up resettlement coordinating committee.	NPMO, PPIU, PRSC
	DMS updating unit costs (as necessary).	PPIU, PAFO/DAFO assisted by consultants
	Second disclosure meeting/consultation with affected households to discuss results of DMS and discuss the resettlement policy, entitlements and relocation options.	PAFO/DAFO assisted by consultants
	Updating/revision of the resettlement plan and project information leaflet.	NPMO assisted by consultants
	Submission of updated resettlement plan and project information leaflet to MAF for approval and endorsement to ADB.	NPMO
	Distribution of the updated information leaflets to the affected households and posting of summary updated resettlement plan at district offices.	PPIU, DPIU, PAFO/DAFO
	Implementation of updated resettlement plan.	NPMO, PPIU, DPIU, PRSC and consultants
	Monitoring of resettlement plan implementation.	PRSC, NPMO (internal) and EMA.

ADB = Asian Development Bank, DAFO = district agriculture and forestry office, DPIU = district implementation unit, DMS = detailed measurement survey, EMA = external monitoring agency, IOL = inventory of losses, MAF = Ministry of Agriculture and Forestry, NPMO = national project management office, NSC = national steering committee, PAFO = provincial agriculture and forestry offices, PPIU = provincial project implementation unit, PRSC = provincial resettlement committee, RCS = replacement cost study.

Source: Asian Development Bank.

XI. ENTITLEMENTS

154. Entitlements are related to the subproject resettlement principles, policies on compensation and other criteria. Compensation to be paid for affected assets will be based on the principle of replacement cost, which is the amount needed to replace an affected asset without depreciation and deduction for taxes and/or costs of transaction before displacement. The entitlement matrix is presented in Table 7 below.

155. The entitlements are applied against the inventory of losses as updated through the DMS. Unit rates are applied to land and other asset losses and an overall compensation figure per affected household is calculated. Annex 4 details the summary forms used to calculate the total

compensation. These calculations are discussed with each affected household and the affected persons sign a summary of their compensation amount.

Table 7: Entitlement Matrix

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
<p>Marginal Loss of Productive Land</p> <p>(Agriculture/Aquaculture/Forest/Garden)</p> <p>Loss under or equal 10% of the total productive land; and the remaining area is still economically viable for use or meets the expected personal yield)</p>	<p>Legal owner or occupant identified during DMS</p>	<p>Cash compensation at replacement cost which is equivalent to the current market value of land within the village, of similar type, category and productive capacity, free from transaction costs (taxes, administration fees).</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>Regardless of tenure status</p>	<p>Subsistence allowance in cash or in kind (e.g., rice) will be provided to ensure subsistence during transition or relocation. Moving allowance in cash or in-kind (dump trucks) to move salvageable structures and personal belongings.</p> <p>Assistance to re-assemble and restore dismantled structures in new locations.</p> <p>Appropriate livelihood restoration measures to be determined during DMS.</p>	<p>The type and amount of allowance Applicable will be determined during DMS.</p> <p>For example, 3 months supply of rice per person (16 kg per person x 3 months) as transition) for relocating affected persons.</p> <p>The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.</p>
<p>Severe Loss of Productive Land</p> <p>(Agriculture/Aquaculture/Forest/Garden)</p> <p>Loss by or more than 10% of the total productive land; and the remaining area is no-longer economically viable for use or does not meet the expected personal yield)</p>	<p>Legal owner or occupant identified during DMS.</p>	<p>For major losses equal to or more than 10% of the total productive land holding or income source, as a priority, legal affected persons will be allocated replacement land of similar type, category and productive capacity, located in the same village and with land title or secure tenure; or, if land is not available or the affected persons chooses, cash compensation at replacement cost at current market prices plus assistance to purchase and register land.</p> <p>If the area of the remaining agricultural land is no longer viable, legal affected persons may request that the Project acquires the entire land holding. All transaction fees,</p>	<p>Users with temporary or lease rights affected persons 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 and livelihood assistance to restore impacted livelihood. The project should also pay any transaction costs and taxes should the affected household find suitable replacement land. If owner and user are different persons, the asset owner will be compensated for asset loss and asset user compensated for sub sequential income or livelihood loss.</p>

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
		<p>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>Relocating affected persons with main income source affected or affected persons losing 10% or more of productive land are automatically included in livelihood improvement of the project and a cash allowance and/or in-kind assistance will be provided as provision of life stabilization for affected persons:</p> <p>(i) Losing between 10% to 30%.</p> <ul style="list-style-type: none"> • 20 kg of husked rice per person per month for 6 months if not relocating • 20 kg of husked rice per person per month for 12 months if relocating • 20 kg of husked rice per person per month for 18 months if relocating to a difficult socio-economic condition area <p>(ii) Losing between 30% to 50%</p> <ul style="list-style-type: none"> • 20 kg of husked rice per person per month for 9 months if not relocating • 20 kg of husked rice per person per month for 12 months if relocating • 20 kg of husked rice per person per month for 18 months if relocating to a difficult socio-economic condition area. 	

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
		(iii) Losing more than 50% <ul style="list-style-type: none"> • 20 kg of husked rice per person per month for 12 months if not relocating, also the same amount if relocating • 20 kg of husked rice per person per month for 18 months if relocating to a difficult socio-economic condition area 	
Partial Loss of Residential Land *Will not Require Relocation	Legal owner or occupant identified during DMS.	(i) Cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, and free from transaction costs (taxes, administration fees), and (ii) Project contractor to improve remaining residential land at no cost to affected persons (e.g. filling and levelling) so affected persons can move back on remaining plot.	Voluntary contribution of residential land will be allowed only under the following conditions: (i) the affected portion is less than 5% of the total area; and, (ii) there are no structures or fixed assets on the affected portion.
Total Loss of Residential Land Land no longer viable for continued use, i.e., can no longer build a house, therefore the entire property has to be acquired	Legal owner or occupant identified during DMS.	(i) replacement land equal in area, type and category at a location satisfactory to affected persons and with registered title or secure tenure; or (ii) cash compensation at replacement cost equal to current market prices for land of similar type, category and location, plus assistance to purchase and register land. 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	

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
		married, the title will be issued in the names of both spouses.	
	Regardless of tenure status	<p>Moving allowance in cash or in-kind (dump trucks) to move salvageable structures and personal belongings</p> <p>For informal businesses (shops) cash compensation equivalent to the daily wage rate in the area multiplied by the number of days of business disruption</p> <p>Appropriate livelihood restoration measures to be determined during DMS</p>	<p>Type and amount of allowance will be determined during DMS.</p> <p>For example, 3 months supply of rice per person (16 kg per person x 3 months) as transition) for relocating affected persons.</p> <p>The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.</p>
	Users with temporary or lease rights	Affected persons that hold a lease for use of construction or other non-agricultural land will receive compensation equal to the remaining value of the lease and assistance to find alternative location.	
	Non-legal users	<p>Non-legal affected persons will not receive compensation for affected land, but full replacement cost for non-land assets and investment on land to land user.</p> <p>However, if they have no other residential land holdings, they will be allocated replacement land with leasehold tenure to rebuild their house.</p>	
Loss of Garden/Pond Land that cannot be Certified/Recognized as Residential Land	Owner of affected fishpond	<p>Cash compensation of affected portion at replacement cost which is equivalent to the current market value of fishpond, labor and rent of equipment to excavate fishpond, free from transaction costs (taxes, administration fees).</p> <p>If the currently held fish stocks will not be harvested before the project takes possession of the fishpond,</p>	<p>Adequate time provided for affected person to harvest fish stocks.</p> <p>Voluntary donation of fishpond land, will not be allowed by the project.</p>

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
		<p>then cash compensation for the projected mature value of fish stock held at the time of compensation.</p> <p>Construction contractor to restore and/or repair remaining fishpond to return to pre-project condition. If support cannot be provided by the contractor, the affected person will be entitled to cash assistance to cover for payment of labor and rent of equipment to restore and/or repair fishpond.</p> <p>Income restoration and livelihood development assistance shall be provided. The level of assistance will be finalized during consultations with the affected persons and during the resettlement plan preparation.</p>	
<p>Partial Impact on Houses/Shops Shop is partially affected but the remaining portion of the house will no longer be viable for continued use, therefore, the entire shop should be destroyed.</p> <p>Total Impacts on Houses/Shops</p>	<p>Owners and users of affected houses/ shops whether or not land is owned.</p> <p>Owners and users of affected houses/ shops whether or not land is owned.</p>	<p>Cash compensation at replacement cost for the affected portion equivalent to current market prices of: (i) materials, with no deduction for depreciation of the structure or salvageable materials; (ii) materials transport; and (iii) labor cost to cover cost for dismantling, transfer and rebuild.</p> <p>Cash compensation at replacement cost for the entire structure equivalent to current market prices of: (i) materials, with no deduction for depreciation of the structure or salvageable materials; (ii) materials transport; and (iii) labor cost to cover cost for dismantling, transfer and rebuild; and</p> <p>Excluding those who will move back to their residual land, timely provision of dump trucks for hauling personal</p>	<p>Adequate time provided for affected persons to rebuild and/or repair their structures.</p> <p>Affected houses and shops that are no longer viable are those whose remaining affected portion are no longer usable and/or habitable.</p>

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
		<p>belongings at no cost to the affected persons.</p> <p>For relocating affected persons with no impact on business or main source of income: a cash allowance and/or in-kind assistance equal to 16 kg of rice per household member for 3 months.</p> <p>If tenants must or choose to relocate, they will receive a cash allowance equal to the current rental amount for a transition period of 3 months, a moving allowance and assistance to find alternative accommodation or premises.</p>	
Loss of Income from Business	Business owner	Affected persons with businesses that are disrupted temporarily and not displaced: Cash allowance equal to the provincial daily wage or average daily revenues whichever is higher, for the number of days that business activity is disrupted.	
Loss of Income due to Restrictions to Access to Sources of Livelihoods, i.e., forests	All affected persons	Provision of access to areas that can provide comparable resources and income sources	
Higher Risks of Impoverishment/ Hardship Due to Loss of or Restriction to Resource Base	Vulnerable affected persons	<p>An additional allowance of 1 month supply of rice per person in the household.</p> <p>Provision of labor and additional materials at no cost to affected persons to assist during rebuilding of houses.</p> <p>Appropriate livelihood restoration measures to be determined during DMS</p>	Vulnerable affected persons could include affected ethnic groups, designated poor households or those below the national poverty line, and households headed by women, the elderly or the disabled.
Loss of Secondary Structures	Owners, users, of affected houses/ structures whether or not land is owned.	Cash compensation at replacement cost for the affected portion of structure equivalent to current	

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
		<p>market prices of: (i) materials and labor, with no deduction for depreciation of the structure or for salvageable materials; (ii) materials transport; and (iii) cost of repair of the unaffected portion. Users not being asset owners will be compensated for loss of business income or cost of having to reassemble structures on remaining land. If the user's economic activity can no longer continue, compensation will include balance of pre-paid rent and assistance to find a new location</p>	
<p>Impacts on Crops, Trees and Aquaculture Products</p>	<p>Owner of crops, trees and aquaculture products whether or not land is owned.</p>	<p>If standing annual crops are ripening and cannot be harvested, cash compensation at replacement cost equivalent to the highest production of crop over the last 3 years.</p> <p>For perennial crops and trees and aquaculture products, cash compensation at replacement cost equivalent to current market value based on type, age, and productive value (future) at the time of compensation.</p> <p>For timber trees, cash compensation at replacement cost equivalent to current market value based on type, age and diameter at breast height of trees.</p>	
<p>Impacts on Public Facilities, Communal Owned Assets and Collective Assets</p>	<p>Villages, village authorities, mass organizations</p>	<p>For common property resources, the affected land will be replaced in areas identified in consultation with affected communities and relevant organizations.</p> <p>Affected buildings and structures will be restored to original or better condition</p>	

Impact/Loss and Application (*)	Eligible Persons	Entitlements	Implementation Issues
Impacts on Graves/Tombs	Household who owns the graves	Affected persons are entitled to cash compensation for all costs of excavation, movement and reburial. Graves to be exhumed and relocated in culturally sensitive and appropriate ways.	
Temporary Impacts During Construction	Legal owner or occupant	For agricultural and residential land to be used by the civil works contractor as by-pass routes or for contractor's working space: (i) rent to be agreed between the landowner and the civil works contractor but should not be less than the unrealized net income and revenue that could be generated by the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g., structures, trees, crops); and (iii) restoration of the temporarily used land (to pre-project condition) within 1 month after closure of the by-pass route or removal of equipment and materials from contractor's working space subject to the conditions agreed between the landowner and the civil works contractor.	The construction supervision consultant will ensure that the: (i) location and alignment of the by-pass route to be proposed by the civil works will have the least adverse social impacts; (ii) landowner is adequately informed of his/her rights and entitlements as per the Project resettlement policy; and (iii) agreement reached between the landowner and the civil works contractor are carried out.
	Affected persons with no land use rights	Cash compensation will be paid at replacement cost to all affected persons for damage to or loss of trees, crops, fences or other structures and/or for loss of net income from business or other activities. In the case of sharecropping or concession arrangements, the compensation will be paid to each of the parties in accordance with previous agreements.	

XII. INCOME RESTORATION

156. Although the project subproject selection criteria aim to avoid subproject that will result in any severely affected households, it is possible that some households could be severely affected by losing 10% or more of their productive land or other assets, or impacts affect vulnerable households. If so, an income improvement program will be designed and provided. The income improvement program will be designed in a participatory manner during LARP preparation and will include, among others, any of the following measures: (i) alternative livelihood; (ii) improved agricultural production; (iii) appropriate skills training, and (iv) preferred consideration for rehabilitation and construction work related job opportunities.

XIII. GENDER

157. The project gender specialist will prepare a gender action plan. Consistent with the gender action plan, resettlement planning and implementation will ensure that women, as members of affected households, are adequately considered when they are physically or economically displaced by subprojects. They will be given equal opportunity for participation in consultations in order to ensure gender-sensitive and culturally responsive measures. The project will adopt suitable strategies to ensure the active involvement of affected women consistent with the gender action plan. Project resettlement training will include gender issues relevant to resettlement and also the need for gender disaggregated monitoring of resettlement activities. When developing LARPs for subprojects, due consideration for gender issues and measures should be ensured. For example, DMS should consider specific practical and strategic gender needs and issues, Planning should ensure inclusion of mitigation measures that are gender sensitive, including gender affirmative actions (e.g., titling/retitling in the name of both spouses), if required to improve livelihoods and status of resettlement affected women.

XIV. ETHNIC GROUPS

158. Where there are members of ethnic groups present and depending upon the type of impact, a separate ethnic group plan (EGP) may be needed. An EGP framework has been prepared to guide plan preparation and a screening process will be carried during the feasibility stage. The LARP will address ethnic group issues and ensure that ethnic group households are fully consulted and included in all aspects of the subproject planning and community level decision-making and are able to benefit on an equal basis. As an overriding principle and as per the ADB SPS, the project must will explore to the maximum extent possible alternative project designs to avoid physical relocation or other adverse impacts on ethnic groups that will result in adverse impacts on their identity, culture, and customary livelihoods, and by the same context, no ethnic group household should be expected to provide any land beyond what is being provided by their Lao neighbors and for the same amount of direct benefit.

XV. GRIEVANCE REDRESS MECHANISM

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

160. 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 (GRM) 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.

161. Affected persons are entitled to lodge complaints regarding any aspect of the preparation and implementation of the LACP. This can include any of the subproject components. The affected person complaints can be made verbally or in written form. It is recognized that in many cases, affected persons do not have the writing skills or ability to express their grievances verbally, however, affected persons 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 affected person. Affected persons who present their complaints within the prescribed procedures will be exempt from all administrative fees incurred. In addition, affected persons who lodge complaints and appeals to district courts will be provided with free legal representation.

162. 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 subprojects 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.

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

164. 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).

165. ADB's Accountability Mechanism will also be explained to affected households.

166. The following procedures are proposed for management and recording of grievances.

Table 5: Grievance Redress Procedures

No.	Grievance Redress Procedures
1	Stage 1: In the first instance, affected persons (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.

No.	Grievance Redress Procedures
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.

167. 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.

168. All legal and administrative costs incurred by affected persons and their representatives throughout this process are to be covered by the project.

169. 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.

170. The need for a grievance and redress mechanism is provided for in the ADB SPS (2009) as well as the Accountability Mechanism Policy (2012) and is confirmed government Decree 084/2016. Under the project, communications with affected persons will be designated to the NPMO through the project implementation consultants in collaboration with the PPIUs that will be established at provincial level, and resettlement committees. One of the important functions of the NPMO is to ensure that the affected persons are aware of the procedures in filing complaints or grievances that may arise during LARP implementation so that unnecessary delays in civil works construction could be avoided. Upon mobilization, the NPMO will assign a desk unit to receive complaints from the affected persons or stakeholders related to environment and social safeguards. Grievance redress committees (GRCs) at the provincial and district levels will be re-activated and mobilized, and they will be composed of the members of resettlement committees.

171. The Village Head and the Village Committee will also be advised of their role as a first contact point for affected peoples with a grievance and provided training and guidance on the scope of issues and those which will require reference to the next level for a decision. All levels

of the GRC will be provided some basic gender and ethnic minority sensitivity and awareness training prior to be called into action.

172. All affected households will be made fully aware of their rights, and the detailed procedures for filing grievances and the appeal process will be published through an effective public information campaign. A primer on grievance and redress mechanism and appeals process will be disseminated to affected persons during the DMS and the grievance redress mechanism and appeal procedures will also be explained in the project information booklet that will be distributed to all affected households.

173. Affected households' grievances will be received and solutions for affected household concerns and grievances on land acquisition and the implementation can be addressed under the grievance procedure provided in the approved LARF and/or LARP. Affected households' complaints can be made verbally or in written form. In the case of verbal complaints, the committee on grievance will be responsible to make a written record during the first meeting with the affected households.

174. In cases where affected households do not have the writing skills or are unable to express their grievances verbally, it is a common practice that affected households are allowed to seek assistance from any recognized local NGO or other family members, village heads or community chiefs to have their complaints or grievances written for them. Affected households will be provided a signed copy of the DMS and the IOL pertaining to their assets to ensure that all the details have been recorded accurately enabling all parties to be treated fairly. Throughout the grievance redress process, the responsible committee will ensure that the concerned affected households are provided with copies of complaints and decisions or resolutions reached.

175. Grievances or complaints from affected persons will be solved in a timely and satisfactory manner. The affected persons can submit their grievances to GRCs either in verbal or written form, at no cost to them. The procedural steps for filing and resolution of grievance and complaints are described in Table 8 below.

Table 8: Grievance Redress Procedure

Stages	Activities/Procedures
Stage 1	At the village level, affected person files a complaint/grievance verbally or in writing to GRC (village committee). If unwritten the GRC will assist to put it in writing and hear the complaint in public for transparency and based on their traditional method of conciliation and mediation. Resolution is within 5 days after the complaint/grievance was received.
Stage 2	If no solution or understanding is reached within 5 days, the affected person can bring the complaint at the district level. The GRC at the district level will meet the affected person and resolve within 10 days after receiving the complaint.
Stage 3	If the affected person is still unsatisfied or has not received any decision from the GRC at the district level, he/she can seek redress at provincial GRC that should decide for it in 10 days.
Stage 4	The affected person may elevate the complaint for hearing at the NPMO if still unsatisfied with the decision of GRC at the provincial level. The PMO will ensure to resolve each complaint within 10 days after receiving the appeal.
Stage 5	As a last resort, the affected person may file the case to the local Court of Law, with assistance from PMO. The decision of the Court of Law is final and executory.

GRC = grievance redress committee, NPMO = national project management office, PMO = project management office.

Source: Asian Development Bank.

176. If efforts to resolve disputes using the grievance procedures remain unresolved or unsatisfactory, affected households have the right to directly discuss their concerns or problems with the ADB's Environment, Natural Resources and Agriculture Division, Southeast Asia Department through the ADB Lao Resident Mission. If affected households are still not satisfied with the responses of LRM they can directly contact the ADB Office of the Special Project Facilitator. The Office of the Special Project Facilitator procedure can proceed based on the accountability mechanism in parallel with the project implementation.

XVI. LAND ACQUISITION RESETTLEMENT PLAN AUDIT

177. In order to confirm bona fides in all land acquisition cases, voluntary and involuntary, the NPMO must undertake at least a 10% case audit of all affected households who are supposed to receive compensation payments, as well as a 100% case audit of any affected households making voluntary land donations. Depending upon the number and scale of LARPs prepared under the project, the audit may either be done internally, through a joint effort between the NPMO and PPIU, or, if warranted, the audit is to be included in the terms of reference for an EMA hired by the NPMO to monitor LARP implementation. The EMA will then also be assigned responsibility to monitor implementation of any EGP that is being implemented.

XVII. INSTITUTIONAL ARRANGEMENTS AND IMPLEMENTATION

A. Executing Agency

178. The executing agency for the project will be the Ministry of Agriculture and Forestry (MAF). MAF will delegate the responsibility for overall project coordination and management to its DOPF. In turn, DOPF will establish a national project management office (NPMO) that will be responsible for project coordination and management, including financial management of project accounts, procurement of goods and works, recruitment of consultants, and monitoring and reporting.

179. To ensure inter-agency cooperation at the national level, the NSC will be established within MAF. The NSC will be chaired by a Vice Minister of MAF and will include representation from the Ministry of Finance; Ministry of Planning and Investment; Ministry of Industry and Commerce; Ministry of Public Works and Transport; Ministry of Foreign Affairs; Water Resources and Environmental Administration; National Land Management Authority; Lao Women's Union; Committee for the Advancement of Women's Affairs and the provincial vice governors from the participating provinces. The NSC will meet annually or as required to review overall implementation progress, approve annual workplans and budgets, and provide overall policy guidance. The NPMO will provide secretariat services to the NSC.

180. The executing agency is also responsible for inter-ministerial communication and as such is responsible for submitting LARPs to the MONRE, Ministry of Finance and the ADB as required in order to obtain necessary approvals.

B. Implementing Agencies

181. In the six provinces of Champasak, Khammouane, Savannakhet, Saravan, Sekong, and Vientiane the implementing agencies will be the PAFOs. A PPIU will be established in each PAFO to be responsible for financial management at provincial level, and coordination and management of implementation of subprojects. The PPIU will also coordinate and supervise the work of the DPIUs.

182. To assist in implementation at the district level, DPIU will be established within participating DAFOs. The DPIUs will provide coordination and supervision of subproject activities at district level. In particular, they will be responsible to assist with (i) identification of associated initiatives during subproject feasibility; (ii) community development activities; (iii) coordination of resettlement activities; (iv) environment management activities; (v) indigenous people development activities; (vi) gender action activities; and (vii) monitoring and reporting on physical progress of implementation.

183. A provincial steering committee (PSC) will be established in each of the participating provinces to ensure inter-agency coordination at provincial level. The PSC will be chaired by the provincial vice governor with equivalent representation to that for the NSC. The PSC will meet bi-annually or as required to: (i) review implementation progress; (ii) ensure adequate levels of coordination between key agencies; (iii) approve provincial work-plans and budgets; and (iv) approve subprojects for financing under the project. Subproject investment reports shall be approved by PSCs after obtaining the necessary concurrence of ADB for social and environmental safeguards. The PPIU will provide secretariat services to the PSCs.

184. Under the Government Decree 084 and its implementation guidelines, each province has a standing provincial resettlement committee (PRSC). If involuntary resettlement and land acquisition arise, the PRSC will be activated and will become the focal point for implementing the LARP in each province.

185. The implementing agency is responsible for subproject screening for LAR impacts, conducting information dissemination and public consultations, conducting DMS and IOLs, socio-economic surveys of AHHs, preparation of LARPs and due diligence reports and submitting these documents to the PRSC and the executing agency. The implementing agency is assisted significantly by consultants to discharge these tasks.

C. Consultants

186. Implementation will be guided by a consultant team that will include international and national safeguard specialists who are assigned specific responsibility for LARP and indigenous people and/ or ethnic group work. The safeguards specialists are responsible to train IA staff and PRSC, DRSC to ensure that subproject screening is carried out correctly and that LARP categorization accords with ADB SPS (2009). The specialists will also be responsible for formulating any LARP required and also for ongoing monitoring and reporting on LARP implementation. It is recommended that the international safeguard specialist be hired for a total of 6 person-months during the project duration and a national consultant for a total of 32 person-months. Additional subproject feasibility studies will be contracted to firms providing safeguards expertise.

D. Resettlement Specialist Terms of Reference

187. Specific duties of the specialists will include the following:
- (i) Review the PPTA consultant's final report and the recommendations on land acquisition and resettlement therein;
 - (ii) Support and finalize the resettlement plans prepared by the PPTA consultants for implementation;
 - (iii) Provide guidance on subproject LARP implementation;
 - (iv) Assist and guide screening of additional subprojects;
 - (v) Assist the NPMO to prepare additional LARPs and due diligence reports as needed;

- (vi) Develop and provide training to implementing agency staff and PRSC, DRSC staff in LARP preparation and implementation, reporting and monitoring;
- (vii) Make recommendations to develop the resettlement plans to a standard acceptable to ADB and have those changes incorporated in the subproject investment reports (SIRs);
- (viii) Visit all participating provinces and brief the provincial administrations, PPIUs and participating district staff on the land acquisition and resettlement requirements and, specifically how they differ from standard government procedures in light of ADB policies;
- (ix) Ensure GRM and project information is disseminated in a timely manner; and
- (x) Ensure LAR indicators are included in the project performance monitoring system.

E. Provincial and District Level

188. Key agencies at provincial and district levels will be the PAFO and DAFO offices. Provincial and district agency staff will assist project implementation teams to:

- (i) Conduct feasibility study socio-economic surveys, including ethnicity and sex disaggregated data, to understand local LARP and indigenous peoples development issues;
- (ii) Undertake and document consultation with communities and local indigenous groups to explain and discuss project plans, impacts, determine the appropriate interventions;
- (iii) Conduct meetings with affected households;
- (iv) Assist to conduct IOL surveys and DMS;
- (v) Assist in the design of interventions to address identified issues relevant to the overall subproject; and
- (vi) Play a lead role in the implementation and monitoring of the LARPs, or the enhancement measures.

XVIII. BUDGET AND FINANCING

189. The costs of resettlement for the project include consultant fees, initial safeguard screening of potential subprojects, consultation with stakeholders and affected peoples, conducting AHH socio-economic and the DMS to formulate the IOL and all associated costs incurred in identifying and costing the IOL including compensation for lost assets and the entitlements set out in the entitlement matrix of this LARF. A contingency of 10% will be included in total project cost estimates to be used as required during implementation of any LARP. All costs for resettlement, apart from consultant's fees, will be financed by the government as counterpart's funds and include compensation and allowances, operational and administrative costs, internal and 3rd party audit/validation, ongoing monitoring and reporting, and implementation of any income restoration program. The Ministry of Finance will provide the budget directly to the PRSC and the PRSC will disburse the fund to PDOF for payments of compensation and allowances to affected households. The forms used to summarize the LARP IOL costs are in Annex 4.

190. The estimated budget for civil works is USD\$12.44 million applied across all components, and for Output 1 (Critical agribusiness value chain infrastructure improved and made climate resilient), cost estimates are \$12.15 million. Within this, the project will (i) improve and upgrade tertiary canals from earth-lined to brick-lined or concrete structures to direct water to the farmer's field and reduce water losses, while ensuring that the improved structures are climate resilient; (ii) rehabilitate water retention ponds to provide supplemental irrigation during droughts; and (iii)

improve and upgrade earth-based farm access roads to climate resilient gravel-based surfaces, to improve supply of inputs to farms and market access, reduce post-harvest crop losses, and enhance safety.

191. Exact estimates by type of infrastructure are not yet available but for budgeting purposes an assumption is made that \$10 million will be used on civil works for irrigation and road/truck improvements. It is also assumed that in many cases villages will willingly contribute small strips of land to secure subproject benefits, which will contribute to lower costs.

Table 10: Provision for Land and Asset Compensation

Item			
Land compensation	Civil Works (base cost) (*)	\$10.00 million	
Estimated Resettlement/ Compensation Budget	At 2%	\$200,000	
Contingency	10% of above	\$20,000	
Total		\$220,000	
Year 1			40,000
Year 2			80,000
Year 3			100,000

Note: The 2% rate is assumed based on the plan to pre-screen all subprojects to ensure resettlement and compensation is minimal, and construction is completed within the first three years.

192. Other costs will be incurred in order to screen projects, undertake surveys, prepare and implement LARPs as well as undertake monitoring and verification of LAR activities as subprojects are implemented. Technical assistance will also be provided. It is estimated that one international and one national resettlement specialist will be required intermittently with inputs of 6 pm and 25 pm respectively.

Table 11: Other LAR costs

Item	Type	Units	Per Unit	Total USD
Consultants	Social safeguards -International	6 months	20000	120,000
	Social safeguards - National	32 months	5000	160,000
Surveys (3 per subproject)	Field costs	60 villages	200	12,000
Meetings with Affected Households (3 per village)	Field costs and materials	60 villages	100	6,000
External monitor	Fees	4 years	5000	20,000
Training	Materials, field costs. agency and community	6 provinces	5000	30,000
Total costs				348,000

XIX. MONITORING AND REPORTING ARRANGEMENTS

193. The implementing agency staff and the project technical specialists will monitor implementation of the LARP to ensure compliance with the agreed activities and timeline and to ensure compensation and restoration activities proceed as planned and that the monitoring is reported on a quarterly basis. Ongoing monitoring will involve consultations with affected households shall be a continuous process during the DMS, signing contract, and payment. These will also be evaluated through M&E activities.

194. Due to the limited need for land acquisition impacts and small number of ethnic groups in the project areas and the limited impacts anticipated, the project will mainly rely on internal

monitoring to ensure the LARP is being implemented as expected. The executing and implementing agencies with assistance from the national and international social safeguards specialist shall conduct the supervision and in-house monitoring of implementation of the LARP. The national and international safeguard specialists will ensure that the monitoring and reporting is being carried out in accordance with the LARP. The project technical assistance will conduct safeguard training for line agency staff participating in implementation and this training must include monitoring, data collection and reporting.

195. The extent of need for an EMA will be reviewed during implementation and will depend upon the number of LARPs and the economy of scale as to whether an independent EMA, most likely an NGO, or an independent consultant (group or individual depending upon volume) could be hired for the task. The project social safeguard team will prepare appropriate terms of reference for the EMA which will include checking any cost replacement surveys, conducting a 10% case audit for compensation payments and also a 100% case audit of any voluntary donations.

196. Specific LARP targets have not been set for the project design and monitoring framework as there is no way of estimating the number of LARPs that may need to be prepared under the project subprojects.

A. Indicators

197. As a minimum, the project must report on the number and type of subprojects that have LARPs prepared and also report on LARP implementation. Indicators such as the number of affected households, disaggregated by ethnicity and gender of household head, number of consultation meetings held, number of grievances registered, grievances resolved, number of compensation payments planned and actually made, are amongst key indicators. The project social safeguard specialists will define the indicators in the subproject LARP. Other relevant benchmark data obtained from the subproject social impact assessment would also be included such as income derived from the activity being supported by the project. Other indicators would include:

- (i) Compensation and entitlements computed at rates and procedures as provided in the resettlement plans agreed between the government and ADB;
- (ii) Timely and complete disbursement of compensation to affected households in accordance with the agreed LARPs and as per agreement with project authorities;
- (iii) Timely and complete delivery of relocation, income restoration and rehabilitation allowances and measures;
- (iv) Public information, public consultation, including dissemination of the GRM procedures are followed as described in the approved LARP;
- (v) The number of grievance redress cases referred to each level, disaggregated by sex and ethnicity;
- (vi) Attention given to the priorities of affected households regarding the options offered;
- (vii) Public facilities and infrastructure affected by the project are restored promptly; and
- (viii) The transition between resettlement and civil works is smooth (i.e., completion of resettlement activities required before notice to proceed for civil works is issued).

B. Schedule of Monitoring and Reporting

198. The LARP will establish a schedule for the implementation of the LARP taking into account the project's implementation schedule and the consultation plan. The LARP will also indicate the

monitoring and reporting schedule required from line agency staff particularly at provincial level. The safeguards specialists assisting implementation shall ensure that executing agency staff at provincial level are aware of the LARP and their monitoring and reporting responsibilities. Where LARPs are being implemented, a 6-monthly report must be prepared by the project technical assistance for review by the NPMO, NSC and copied to the ADB to report whether all subprojects under implementation have been screened for LAR impacts, the number and type of subprojects that have LARPs prepared, or if no LARPs prepared, confirmation that all subprojects under implementation are of Category C.

ANNEX 1: LARP SCREENING CHECKLISTS

The following checklists are to be used in the identification and selection of subprojects for implementation. The objective of the checklists is to ensure that only Category B and C subprojects are selected according to project selection criteria.

1. Involuntary Resettlement Impact Categorization Checklist

Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
Will the activity require permanent or temporary land acquisition?				
Is the site and land needed for acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
Will land be acquired involuntarily?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
Has the facility been constructed recently on new land in anticipation of obtaining further assistance for the facility from this ADB project?				
When the facility was built, was the land acquired legally under Lao PDR Law? (unknown = No)				
Are there any outstanding complaints about the land used or acquired for the existing facilities?				
Will the activity require permanent or temporary relocation or displacement of any people (titled or non-titled)?				
Are there any non-titled people (squatters) who live at the site or within the COI / Right of Way / public land?				
Will there be any loss of housing or accommodation or other residential structures?				
Will there be any loss of residential land?				
Will there be any loss of vegetable gardens or agricultural plots?				
Will there be any losses of crops, fruit trees or private structures?				

Involuntary Resettlement Effects	Yes	No	Not Known	Remarks
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
Will any small or informal businesses have to be moved or closed temporarily or permanently?				
Will there be temporary or permanent loss of employment as a result of the closure of any businesses resulting from the renovation?				
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 Persons:				
<p>Any estimate of the likely number of persons that will be displaced by the Project?</p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes</p> <p>If yes, approximately how many? _____</p>				
<p>Are any of them poor, female-heads of households, or vulnerable to poverty risks?</p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes</p>				
<p>Are any displaced persons from indigenous or ethnic minority groups?</p> <p><input type="checkbox"/> No <input type="checkbox"/> Yes</p>				

2. Voluntary Contribution checklist

Criteria	Guidance Notes	Yes	No	Remarks
Have the affected households are aware of compensation entitlements for involuntary land acquisition and grievance	<ul style="list-style-type: none"> Communities are advised of the ADB and the government policies for resettlement and land acquisition in regards to compensation, negotiated settlement and donation. 	•	•	•

Criteria	Guidance Notes	Yes	No	Remarks
redress mechanism (GRM)	<ul style="list-style-type: none"> Communities made aware of the GRM and how it is triggered 			
The impacts are marginal (based on percentage of loss and minimum size of remaining assets)	<ul style="list-style-type: none"> The land donated does not exceed 5% of the total land owned by the affected household. The land donated does not result in uncompensated permanent non-land assets Land donation will only be accepted if the total land owned by the household is not less than 100 m² 	•	•	•
Impacts do not result in displacement of households or cause loss of household's incomes and livelihood	<ul style="list-style-type: none"> The land is not used for productive purposes Only secondary structures are affected; there is no physical relocation of household due to the project and land donation. The affected household does not fall under the category of poor or vulnerable. 	•	•	•
The households making voluntary donations are direct beneficiaries of the project	<ul style="list-style-type: none"> Both positive and negative impacts of the project on the affected household are considered. The affected household can identify the project's direct benefits to them. 	•	•	•
Land donated is free from any dispute on ownership or any other encumbrances	<ul style="list-style-type: none"> The affected household has recognized legal tenure. The land is not being occupied and/or used by any other party. The land is not in dispute for its ownership. 	•	•	•
Consultations with the affected households is conducted in a free and transparent manner	<ul style="list-style-type: none"> The affected household should be informed that they have the right to receive compensation for their land and the equivalent amount of compensation for the land they wish to donate. The affected household receives clear and adequate information on the project, and participates in the project planning. Provisions on voluntary donation are integrated into the decision-making process at community level. 	•	•	•
Land transactions are supported by transfer of titles	<ul style="list-style-type: none"> Official land ownership document is updated. 	•	•	•
Proper documentation of consultation meetings, grievances and actions	<ul style="list-style-type: none"> Agreement is properly documented with signatures of affected person, [name of the borrower/client] and witnesses. 	•	•	•

Criteria	Guidance Notes	Yes	No	Remarks
taken to address such grievances is maintained	<ul style="list-style-type: none"> Consultation meetings, grievances and actions taken to address such grievances are properly recorded. 			

3. Additional Criteria and Guidance Notes on Voluntary Donation of Productive Land

	Criteria	Yes	No	Remark
1.	Was the subproject site is selected in full consultation with landowners and any non-titled affected people			
2.	Will Voluntary donations significantly affect the living standards of affected people and the amount of agricultural or other productive land to be acquired from each affected household does not exceed 5% of the total productive landholdings of the household;			
3.	Are voluntary donations linked directly to significant benefits for the affected household;			
4.	Will all voluntary donations be confirmed through written record and verified by an independent third party such as the external monitoring organization;			
5.	Is there is an adequate grievance process			
6.	Will the voluntary donation cause any involuntary resettlement of formal or informal land users, squatters or encroachers of the land			
7.	Is any affected household vulnerable.			

ANNEX 2: COPY OF VOLUNTARY LAND DONATION FORM

Peoples' Democratic Republic of Lao PDR

[INSERT NAME] Province

[INSERT NAME] District

[INSERT NAME] Village

CERTIFICATE OF LAND TRANSFER

I, [INSERT NAME, AGE, NATIONALITY, OCCUPATION], with residence located in [INSERT NAME] village, [INSERT NAME] district, [INSERT NAME] province:

- Certify that I have been previously informed by local authority of my right to entitle compensation for any loss of property (house, land and trees) that might be caused by the Lao Climate Friendly Agriculture Value Chains Project (CFAVCP) in village [INSERT NAME], district ([INSERT NAME]).
- I confirm that I do not request any compensation of loss of [INSERT OTHER LOSSES SUCH AS TREES STRUCTURES] and would request the local authority to consider this as my contribution to the UIM

Loss of Asset (Land)	Area (Sqm)	Trees (Number)	Unit Rates (Currency/unit)	Total (Currency)	Comment
Total					

Therefore, I prepare and sign this certificate for the proof of my decision.

[INSERT NAME] district [INSERT DATE]

The owner of the land [INSERT NAME AND SIGN]

Witnesses:

1. [INSERT NAME]
2. [INSERT NAME]
3. [INSERT NAME]

Certified by the Chief of the Village [INSERT NAME AND SIGN]

DAFO Official [INSERT NAME] district [INSERT NAME AND SIGN]

ANNEX 3: AFFECTED HOUSEHOLD SOCIO-ECONOMIC SURVEY

1 Household Composition									
1.1	Head of Household (household)								
	Sex	Female			Male				
	Age	<65			>65				
	Widowed	Yes		No					
	Disabled	Yes		No					
	Owner of Land	Yes		No					
	Occupation								
	Monthly Income								
1.2	Spouse								
	Name								
	Age								
1.3	Current Household Address								
	Name								
	Village								
	District								
	Province								
1.4	Location of Affected Area								
	Name								
	Village								
	District								
	Province								
1.5 Number of Household Members									
No	Name of Household Member	Age	Sex	Relationship to H/h head	School Grade Reached	illiteracy	Major Occupation	Other occupation	
1									
2									
3									
4									
5									
6									
7									
8									
9									
10									
Number of Households				Number of Family members in household					
1.6	Households income source								
		Activity	Kip/Year			Activity	Kip/Year		
		Rice				Fishing			
		Manual labour				Business/trade			
		Agricultural products				Salary/Wages			
		Non-timber forest products				Livestock			
		Handicraft				Other			
		Household Monthly Income in Kip							
		Household Yearly Income in Kip							

2 INFORMATION RELATED TO AGRICULTURE					
2.1	Do you know about the subproject and its objectives	Yes	No	If yes, from who/which source?	
2.2	Do you expect benefits from the project?				
2.3	Where do you get your water?	Yes	No		
	Creek				
	Pond				
	Open Well				
	Pump Well				
2.4	Where do you get you electricity?	Yes	No		
	Public grid				
	Private grid				
	Private generator				
	Battery				
2.5	Rice Harvest Yields	Tons/year			
		Kip /year			
2.6	Supply of Rice to household	Enough – For how many months			
		Not Enough – For how many months			
3 LAND USE					
3.1	How many families are using the affected land?	Yes	No	Comments	
	One family				
	Two families				
	Three families				
3.2	Living in this village	Year:			
	Which Type of land do your own	Yes	No	Inside (ha/m2)	Outside (ha/m2)
	Inside/outside subproject area?				
	Residential compound				
	Paddy field				
	Orchard area				
	Forest area				
	Commercial area				
	Other				
Total					
3.3	How many agricultural plots do you own?				
	Affected parcels	Number		In village:	
				In district:	
	Not affected parcels	Number		In village:	
			In district:		
3.4	Land Use				
	No.	Affected area [m2]	Land Type	Total area [m2]	Note of affected land
	1	Rice land			
	2	Orchard land			
	3	Vegetable garden			
	4	Commercial			
	Total Productive Land (1)				
	5	Other unused land (2)			
	6	Residential land (3)			
	Total (1+2+3)				

4 AFFECTED FIXED STRUCTURES								
4.1	Type of Affected Structure	Yes	No	Number of Affected Structures				
	Residential							
	Residential/ Business							
	Kitchen/Bathroom							
	Car parking area/porch							
	Shop/Restaurant							
	Workshop							
	Guesthouse							
	Others							
No	Type of Structure	Number [code]	Construction materials [code]	Area [m2/m]	Material	Unit	Unit cost (Kip)	Total cost
1			Roof					
			Wall					
			Floor					
			Pillar					
Age of Structure								
Area of Affected Structure								
Structure Affected Dimension (%)								
Total Construction Labor Cost (Kip)								
Total Cost of First Structure (Kip)								
Total Cost (Kip)								
Codes of Use		1= Ground floor ; 2= First floor ; 3= Second floor ; 4= Third floor ; 5= Others 1= Temporary; 2= Thatch/leaf ; 3= Zinc ; 4= Round wood ;5= bamboo ; 6=Sawn wood ; 7=Tile ; 8= Floor tile ; 9= Concrete slab ; 10= Reinforced concrete; 11= Clay wall; 12=Plank;13= Metal ;14= 10 cm bricks ; 15= 20 cm bricks ;16=Concrete bricks ; 17 = others						
5 Allowances								
5.1	Transition and subsistence allowance							
	Supplementary Allowance							
	Transportation allowance							
5.2	Unanticipated impacts							
	Ser. No.	Type of property	Size	Quantity [no]	Unit cost [Kip]	Total cost [Kip]		
	1	Open well						
	2	Pump well						
	3	Wooden fence, concrete post, wire						
	4	Concrete fence (brick/rock)						
	5	Grave/stupa						
	6	Concrete slab						
	7	Other (Specify)						
	Total							

ANNEX 4: LARP DATA SETS

Table A4.1: Summarized Scope of Impact of the project

Village Name	Number of Affected Household (HH)							
	Number of Severely Affected				Number of Marginally Affected household		Total affected HHs and affected person	
	Total No of Severely Affected HH (*)	Of which, No of HHs losing more than 50% of house	Of which, No of HHs losing Shop	Of which, No of HHs losing more than 20% of agricultural land	No of Affected HHs	No of Affected Person	Affected HHs	Affected Persons
TOTAL								
	Acquired Land							
	Compensated Land				Land of Streams, Roads without compensation (ha)		Total acquired land (ha)	
Village	Residential (ha)	Agricultural (ha)	Forest (ha)	Total (ha)				
TOTAL								
	Affected other assets							
Village	House (m ²)	Shop (m ²)	Crops (m ²)	Plants (tree)	Graves/Other (set)	Well (set)		
TOTAL								

Table A4.3: Result of survey on historic replacement cost of agricultural land									
Comparison between compensation price and current prices of land on the free market BEFORE compensation payment									
Village Names	Seller (Transferors)	Location of transferred land	Date of transfer-ring	Total amount of the contracts (Kip/m ²)	In which, transferred land		In which, amount of money for transferred land		Compensation rate agreed by PRSC
					Residential (m ²)	Agricultural (m ²)	Agriculture (Kip)	Residential (Kip)	

Table A4.3: Unit replacement cost applied for land compensation for Project

No	Land Category	Land Price as per District land Registrar (Kip/m ²)	Replacement Cost (Kip/m ²)	Compensation Price (Kip/m ²)
	(1)	(3)	(4)	(5)
1	Village 1 (Name)			
	Agricultural Land			
	Residential Land			
2	Village 2 (Name)			
	Agricultural Land			
	Residential Land			
3	Village 3 (Name)			
	Agricultural Land			
	Residential Land			

Table A4.4: Unit replacement Cost, applied for house/structure

No	Category	Unit	Kip
I	House		
1	House type IVC	m ²	
2	Semi-solid house	m ²	
3	Temporary house category 1	m ²	
4	Temporary house category 2	m ²	
5	Temporary house category 3	m ²	
II	Structures		
1	Dug pond	m ³	
2	cement and brick running water container	m ³	
3	Cement yard	m ²	
4	Built-bathroom and lined	m ²	
5	Thatched-bathroom and lined	m ²	
6	Built-rest room with no cement brick wall	m ²	
7	Main electricity meter	set	
8	Built-breeding facilities	m ²	
9	Temporary breeding facilities	m ²	
10	Septic tank type 1	m ³	
11	Wire fence	m ²	
12	Dug well < 5m	Linear meter	
13	Dug well > 5m	Linear meter	
14	Concrete pipe with 1 meter diameter	m	
15	Built brick for well	m	

Table A4.5: Total LARP Budget needs (Kip), source of budget

Category	Quantity	Amount (Kip)	Source of Budget (%)	
			Government	ADB
I. Compensation payment and social support in cash to affected Households to include:			100%	
A. Agricultural land				
B. Residential land				
C. Temporary house and structures				
D. Trees				
E. Crops				
F. Graves				
J. Social support to include:				
1. Supports for life stabilization and production stabilization				
2. Supports for job change and job creation:				
3. Relocation supports				
4. Allowance for renting house				
K. Agricultural land located in/mixed with residential land.				
II. Management and resettlement implementation administration				
III. A contingency cost amounting to 10%				
IV. TOTAL for Project				
V. Cost for Livelihood Restoration and SD program (including IPP)				
VI. Cost for independent external monitoring consultant for the whole Project				

ANNEX 5: OUTLINE OF A RESETTLEMENT PLAN

A. Executive Summary

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

B. Project Description

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

C. Scope of Land Acquisition and Resettlement

This section:

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

D. Socioeconomic Information and Profile

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

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

E. Information Disclosure, Consultation, and Participation

This section:

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

- (vii) be disseminated and the method of dissemination) and the process for consultation with affected persons during project implementation.

F. Grievance Redress Mechanisms

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

G. Legal Framework

This section:

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

H. Entitlements, Assistance and Benefits

This section:

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

I. Relocation of Housing and Settlements

This section:

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

J. Income Restoration and Rehabilitation

This section:

- (i) identifies livelihood risks and prepare disaggregated tables based on demographic data and livelihood sources;

- (ii) describes income restoration programs, including multiple options for restoring all types of livelihoods (examples include project benefit sharing, revenue sharing arrangements, joint stock for equity contributions such as land, discuss sustainability and safety nets);
- (iii) outlines measures to provide social safety net through social insurance and/or project special funds;
- (iv) describes special measures to support vulnerable groups;
- (v) explains gender considerations; and
- (vi) describes training programs.

K. Resettlement Budget and Financing Plan

This section:

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

L. Institutional Arrangements

This section:

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

M. Implementation Schedule

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

N. Monitoring and Reporting

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

ANNEX 6: TERMS OF REFERENCE – EXTERNAL MONITORING AGENCY

* [Shaded items in the bracket] will be replaced with information from the specific project.

Objectives

The objective of this consulting service is to verify that the land acquisition of the Climate-Friendly Agribusiness Value Chains Sector Project follows the principles and procedures of established in the Project land Acquisition and Resettlement Plan (LARP) and particularly for voluntary donations set for the project. The project is supported by the Asian Development Bank (ADB). The proposed project will support implementation of the government's Agricultural Development Strategy (ADS) by enhancing competitiveness of rice value chains in Khammouane, Saravan and Savannakhet provinces along the GMS east-west economic corridor, and the vegetable value chains in Champasak and Sekong provinces, and the Vientiane Capital Administration Authority. It will improve climate resilience of critical agricultural production and post-harvest infrastructure, and promote intensification and commercialization. The project will help improve storage, processing, quality and safety testing capacity, and promote the use of biofertilizers and organic farming. It will also create an enabling policy environment for climate-friendly agribusinesses, and strengthen technical and institutional capacity for climate-smart agriculture (CSA). This will, in turn, promote environmental sustainability and enhance profitability for farmers and agribusinesses. Lao PDR is assisted by the Ministry of Agriculture and Forestry (MAF) for implementing the land acquisition. An independent external party such as a qualified NGO or legal authority¹⁷ will be engaged by the project to undertake the verification.

Scope of Work - General

This scope of work will require the independent party to undertake the following general tasks among others:

- (i) Ensure procedures, actions and requirements set out in the LARP are being implemented correctly and accordingly.
- (ii) Using verbal and written records (voluntary donation/contribution forms), verify that the donation is in fact voluntary, did not result from coercion, and was accomplished through the consultation process.
- (iii) Ensure that voluntary donations do not severely affect the living standards of affected persons and will benefit them directly.

Scope of Work - Specific

The independent party's work will include several specific tasks:

- (i) Review all project documents (including grant agreement and memorandum of understanding (MoU) or correspondences between ADB and Lao PDR) related to the project's land acquisition;
- (ii) Review the project Land Acquisition and Resettlement Framework (LARF) and LARP and particularly the Entitlement Matrix;
- (iii) Visit the project site to verify whether the voluntary donation process follows the principles and procedures agreed in grant agreement, MoUs and Resettlement Plan/Framework and Ethnic Group Plan/Framework (if any). Verification will

¹⁷ University of Laos.

- cover an adequate representative random sample¹⁸ of the affected households who voluntarily donated the land;
- (iv) Visit sites and verify that any compensation or livelihood restoration or any other mitigation actions have been taken as per the LARP;
 - (v) Conduct interviews and/or participatory community meetings with the affected peoples/affected households to obtain perception of the voluntary donation;
 - (vi) Interview relevant stakeholders including staff of the government of Lao PDR, construction supervision and project implementation consultants, and MAF, community leaders and local authorities regarding the principles and procedures followed in voluntary donation;
 - (vii) Verify whether the criteria set for voluntary donation were properly applied (See Criteria and Guidance Notes of Voluntary Donation);
 - (viii) Verify whether the procedures of the voluntary donation were properly implemented; and
 - (ix) Prepare a verification report.

Where there is also an EGP being monitored, the EMA must verify that EGP activities are being implemented and will prepare a matrix indicating EGP Action and Progress against each EGP element.

Outputs

The independent party will prepare the following reports and submit them to the government of Lao PDR and ADB:

- (i) Inception report that demonstrates the design and methodology of the verification;
- (ii) Draft report that documents the LARP implementation and voluntary donation processes, findings, conclusion, and recommendations (This report includes the minutes of interviews/meetings held for verification); and
- (iii) Final report that incorporates inputs from the government of Lao PDR and ADB, and is acceptable to both said parties.

Qualifications

The independent party will have work experience in and familiarity with all aspects of resettlement operations. Persons with a social science background will be preferred.

Interested NGOs or agencies should submit proposals for the work with a brief statement of the approach, methodology, and relevant information concerning experience on land acquisition. The profile of the NGO or agency along with full curriculum vitae (CV) of key personnel proposed to be engaged must be submitted along with the proposal.

The independent external party cannot be associated with the project in any past or present capacity.

¹⁸ The number of households covered by the verification may rise or fall, depending on the total number of affected households who donated. The often "acceptable" margin of error used by survey researchers falls between +/- 4% and 8% at the 95% confidence level. The 95% confidence level means that there is a 95% chance that the difference is real and not just a quirk of the sampling. If we repeated the study 100 times, 95 of the samples drawn would yield similar results. Websites that can be used to calculate the required sample size for a population (N), include <http://www.raosoft.com/samplesize.html>, <http://www.calculator.net/sample-size-calculator.html>

Estimated Person-Months

[Number] [domestic/international] persons will be recruited for a total of [number] person-months (estimate).

Budget and Logistics

The proposal—both technical and financial—should be submitted and the budget should include all costs and logistics necessary for the assignment.