

**LAO PDR DISASTER RISK MANAGEMENT
PROJECT: ADDITIONAL FINANCING**

(LDRM-AF)

PROJECT NUMBER: P170945

RESETTLEMENT POLICY FRAMEWORK

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LIST OF ACRONYMS

| | |
|----------------|--|
| ARAP | Abbreviated Resettlement Action Plan |
| CBO | Community Based Organizations |
| CSO | Civil Society Organizations |
| DONRE | District Office of Natural Resources and Environment |
| DOW | Department of Waterways |
| DPWT | Department of Public Works and Transport |
| EGEP | Ethnic Group Engagement Plan |
| EGEF | Ethnic Groups Engagement Framework |
| EPL | Environmental Protection Law |
| ESIA | Environmental and Social Impact Assessment |
| ESMF | Environmental and Social Management Framework |
| ESMP | Environmental and Social Management Plan |
| FGD | Focus Group Discussion |
| GoL | Government of Lao PDR |
| GRC | Grievance Redress Committee |
| ICT | Information and Communications Technology |
| IDA | International Development Association |
| IEE | Initial Environmental Examination |
| LRSP-2 | Lao Road Sector Project 2 |
| M&E | Monitoring and Evaluation |
| MOF | Ministry of Finance |
| MONRE | Ministry of Natural Resources and Environment |
| MoICT | Ministry of Information, Communication and Tourism |
| MPI | Ministry of Planning and Investment |
| MPWT | Ministry of Public Works and Transpiration |
| NPA | Non-Profit Associations |
| OP/BP | World Bank Operational Policies |
| PAH | Project Affected Households |
| PAP | Project Affected People |
| PoNRE | Provincial Department of Natural Resources and Environment |
| PDR | People's Democratic Public |
| PDO | Project Development Objective |
| PIU | Project Implementation Unit |
| PMU | Project Management Unit |
| PRO | Project Resettlement Office |
| RAP | Resettlement Action Plan |
| RPF | Resettlement Policy Framework |
| RoI | Region of Influence |

| | |
|----------------|--|
| SDS | Social Development Specialist |
| SEA | South East Asia |
| SEA DRM | South East Asia Disaster Risk Management |
| SIA | Social Impact Assessment |
| ToR | Terms of Reference |
| VRS | Village Resettlement Sub-committees |
| WB | World Bank |
| WBG | World Bank Group |

TERMS AND DEFINITIONS

Beneficiary – all persons and households from the villages who voluntarily seek to avail of and be part of the project.

Compensation – payment in cash or in kind of the replacement cost of the acquired assets for the project.

Cut-off Date – the date prior to which the occupation or use of the project area makes residents/users of the project area eligible to be categorized as affected persons. The cut-off date is established in the Resettlement Action Plan (RAP). It normally coincides with the date of the census of affected persons within the project area boundaries, or the date of public notification regarding the specific civil works that would cause displacement. Persons not covered in the census, because they were not residing, having assets, or deriving an income from the project area, are not eligible for compensation and other entitlements.

Displaced persons – refers to all of the people who, on account of the activities listed above, would have their (1) standard of living adversely affected; or (2) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and “displaced person” means any of the displaced persons, including those who have no legal recognizable right or claim to the land they are occupying.

Eligible land holders – refers to affected persons who (a) hold title to land; or (b) do not hold title but whose possession of land can be legalized with a title pursuant to the Land Law of Lao People’s Democratic Republic (PDR) including those who have no legal recognizable right or claim to the land they are occupying, but who are nonetheless entitled to assistance to restore their living standards, livelihoods, and any land-affixed assets affected.

Entitlement – range of measures comprising compensation, income restoration support, transfer assistance, income restoration, and relocation support which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

Household – means all persons living and eating together as a single social unit.

Income restoration – means re-establishing income sources and livelihoods of Project Affected Households (PAH) to a minimum of the pre-project level.

Improvements – structures constructed (dwelling unit, fence, waiting sheds, pig pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

Land acquisition – the process whereby a person involuntary loses ownership, use of, or access to, land as a result of the project. Land acquisition can lead to a range of associated impacts, including loss of residence or other fixed assets (fences, wells, tombs, or other structures or improvements that are attached to the land).

Project Authorities – refers to the Ministry of Public Works and Transport (MPWT), the Ministry of Planning and Investment (MPI), Ministry of Finance (MOF), Ministry of Natural Resources and Environment (MONRE) and Ministry of Information, Communication and Tourism (MoICT).

Project Affected Persons (PAP) or Households (PAH) – includes any person, households, entity, organizations, firms or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, plantations, grazing, and/or organizing land), water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, permanently or temporarily, with or without displacement.

Rehabilitation – refers to assistance provided to persons seriously affected due to the loss of productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets, in order to achieve, at a minimum, full restoration of living standards and quality of life. Compensation for assets often is not sufficient to achieve full rehabilitation.

Replacement cost – is the method of valuation of assets which determines the amount of compensation sufficient to replace lost assets, including any necessary transaction costs. Compensation at replacement cost is defined as follows: For agricultural land, it is the pre-sub-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in World Bank Operational Policies (OP/BP) 4.12, Para. 6.

Replacement Cost Study (RCS) - The main objective of the RCS is to determine the rate of land prices based on actual transaction records of the affected areas, of affected main and secondary¹ structures and other immovable assets. This study would be conducted by an independent appraiser. Based on the results of RCS, the PAH will receive compensation at replacement cost (reflecting market price) from RoUM for their loss of land and property due to the sub-project. The RCS will be implemented during the DMS.

Resettlement – means that all measures should be taken to mitigate any and all adverse impacts of a project on PAP property and/or livelihood's, including compensation, relocation (where relevant) and rehabilitation as needed.

Unit Costs for Lands - The affected private lands will most likely fall under the land categories of either residential or commercial lands. The way to obtain data on market rates is to gather data on recent land sales at/around the sub-project area. Methods for data collection include direct interviews (i) real estate agents in CBD, (ii) land owners at/around the sub-project area who are both PAHs and non-PAHs, and (iii) local authorities at/around the sub-project area. Per results of the RCS, the unit costs of land covered with recognized proofs of ownership, structures and other immovable assets are provided.

Unit Costs for Structures - The houses/structures affected by the sub-project have been categorized into two main groups – house/dwelling and other structures. The methodology employed for costing house/structures includes a quantity survey and detailed measurement of the component parts of each structure and a determination of the market value of the house/dwelling. Other structures such as wells and fences, and cultural assets such as stupas, have to be compensated at their market price, and the results of the specific rates of structures are provided.

Vulnerable Groups – are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households headed by women, the elderly or disabled; (ii) households living below the poverty threshold; (iii) the landless; and (iv) Indigenous Peoples (OP/BP 4.10), including ethnic groups.

¹ This includes fences, wells, toilets, kitchens, etc.

PREFACE

This document is called as the Resettlement Policy Framework (RPF) for the Lao Disaster Risk Management Additional Financing Project (LDRM-AF or the Project) and it will be applied to all investments to be financed by the World Bank (WB) under the project that involve land acquisition and restriction to resource access as defined by the WB's safeguard policy on Involuntary Resettlement (OP/BP 4.12). The RPF is an updated of the RPF of the original project taken into account the proposed activities to be financed under the AF and is part of the Environmental and Social Management Framework (ESMF) for the LDRM-AF.

The Project Management Unit (PMU) of the Department of Waterworks (DOW) of the Ministry of Public Works and Transport (MPWT) and the respective Project Implementation Units (PIUs) of Provincial Department of PWT Waterway Sector with the support and technical assistance from Environmental Research and Disaster Protection Division of the Public Works and Transport Institute (EDPD/PTRI) which are responsible for implementation of specific components are responsible for ensuring compliance with the CRPF and the ESMF, including keeping proper documentation in the project file for possible review by the World Bank.

This document is considered a living document and could be modified and changed in line with the changing situation or scope of the activities. Close consultation with the World Bank and clearance of the revised RPF will be necessary.

1.0 PROJECT DESCRIPTION

1.1 BACKGROUND

The South East Asia Disaster Risk Management Project for Lao PDR (Lao-DRM or the Project) is being implemented with financing from the World Bank (WB) with an aim to reduce the risk of flooding and enhance disaster risk financing capacity of Lao PDR. The Project was approved on July 6, 2017 and became effective on 11 October, 2017, with a commitment amount of US\$30 million. The Project Development Objective (PDO) is to reduce the impacts of flooding in Muang Xay of Oudomxay (ODX) Province and enhance capacity of the Government of Lao PDR (GoL) to provide hydro-meteorological services and disaster response. The Project consists of 5 components.

Component 1 – Integrated Urban Flood Risk Management (US\$13.5 million).

Under this component, the project is helping to pilot the concept of integrated urban flood risk management in Muang Xay and strengthen the institutional capacity of the implementing agencies for resilient planning. Component 1 is implemented by the Department of Waterways (DOW) of Ministry of Public Works and Transport (MPWT).

Component 2 – Hydromet Modernization and Early Warning Systems (US\$10 million).

To support preparedness and help avoid unnecessary damage and losses, the project supports the modernization of hydromet and early warning systems on national level, with physical installations including in the Nam Ou River Basin, where Muang Xay is located. Both types of investments will serve as examples for other cities and river basins in the country. Component 2 is implemented by the Department of Meteorology and Hydrology (DMH) of the Ministry of Natural Resources and Environment (MONRE),

Component 3 – Financing Planning for Disaster Resilience (US\$5 million).

To strengthen financial protection, the project helps to devise a comprehensive approach to the disaster risk financing and insurance (DRFI), to develop a national DRFI strategy and enable access to sovereign disaster risk insurance under Component 3, implemented by the State Reserve Department (SRD) in the Ministry of Finance (MOF).

Component 4 – Knowledge and Coordination (US\$1.5 million).

Implemented by the Department of Planning (DOP) of MPI, Component 4 supports overall project coordination and management, studies for mainstreaming DRM in planning and investment, and supporting day-to-day implementation.

Component 5 – Contingent Emergency Response Component (US\$0).

Component 5 allows for a reallocation of credit proceeds from other components to provide emergency recovery and reconstruction support following an eligible crisis.

This component will be developed in cooperation with MOF and line ministries to ensure effective horizontal coordination at the national level for disaster preparedness and response. There is no cost to this component.

In 2018, Lao PDR experienced widespread floods, which significantly impacted its people and economy. To help reduce the financing gap and augment the response efforts, additional financing (AF) of about \$25 million is being proposed for Component 1 to implement similar activities in 2 additional provinces i.e. Luang Prabang (LPB) and Borikhamxay (BKX). Description of Component 1 of the AF is provided in Section 1.2 below.

1.2 DESCRIPTION OF THE COMPONENT 1 OF THE AF

Component 1 will absorb the AF US\$25 million to strengthen flood protection and resilient urban planning, expanding parent project activities in Oudomxay Province, and adding flood protection investments two additional provinces, Luang Prabang and Borikhamxay. Changes are to **Component 1 – Integrated Urban Flood Risk Management** are as follows:

- (a) *Component 1.1 Structural Investments*: This component will be revised to finance further support for the construction of river bank protection, climate resilient rehabilitation of flood protection infrastructure and embankments including those damaged by the 2018 floods in the following provinces
- (i) In **Luang Prabang Province**, The AF will finance the construction of river bank protection along the lower part of Nam Khan (right and left bank) for a total of three kilometers and installation of four water gates and associated pumps.
 - (ii) In **Oudomxay Province**, the flood risk management infrastructure is planned to be upgraded to 1 in 20 years return period design standards. Building on flood risk management analytics conducted Parent Project preparation, which considered a range of high benefits solutions, the AF will supplement planned structural investments including riverbank protection, dredging, and urban livability such as river-walkways and tree planting.
 - (iii) In **Borikhamxay**, limited and urgent non-regret investments will be covered, comprising of approximately 0.8km of river bank protection in the Mekong River in Pakxan City. In addition, a detailed flood risk assessment will be conducted to lay the foundation for larger flood risk management investments in the future, outside the scope of this project.
- (b) *Component 1.2: Non-structural investments*: Technical studies and surveys related to flood risk management and disaster resilience will be conducted identifying potential structural (engineered) and non-structural (non-engineered) solutions in an integrated manner. **Studies on Vientiane and Borikhamxay**: Technical studies and surveys related to flood risk management and disaster resilience will be conducted identifying potential structural (engineered) and non-structural (non-engineered) solutions in an integrated manner. **Nature-based and green infrastructure solutions** will be integrated into the design of infrastructure improvements for all investments under the AF, with a feasibility study on renovation of wetlands in urban areas in Luang Prabang. **Infrastructure system and data collection**: Support will be provided to DOW to upgrade the current basic

asset inventory to an asset management system with automatic functionalities and condition information. **Urban planning:** Technical studies to review current urban planning policies and frameworks, and inform planning in provinces of Oudomxay and Borikhamxay, including preparation of a GIS base map with all available layers of previous maps, spatial assessment, a zoning map with codes; and infrastructure plans. **Flood monitoring and warning mechanisms** and equipment, and contingency planning: Per needs identified, technical equipment can be financed, along with institutional capacity-building to better prepare, manage, and recover from disasters. A consultancy will be engaged under the parent project Subcomponent 1.2. which will identify specific gaps and needs.

Under this subcomponent, the AF will also support the pilot activities that can be carried out by local authorities with active engagement of local communities on the use of nature-based/green infrastructure solutions which can be designed and implemented under Subcomponent 1.1 and/or under this subcomponent depending on the nature and cost of the proposed activities. This sub-component (1.2) will support the activities that can promote participatory planning processes (workshops, local surveys/data collection, study visits, etc.) to identify priority needs and development of an action plan as well as implementation of small investments that can be carried out by local community for demonstration. Strong support from the private sector and active participation/leadership of key mass organizations such as Lao Women's Union (LWU), youth groups will be encouraged. In Muang Xay, 2-3 local communities along the left bank of Mao-Khor Rivers will be engaged to establish an action plan to prohibit discharge of wastes (solid and liquid) directly into the rivers as well as to implement the river bank protection using nature-based and green infrastructure. In Luang Prabang, it is anticipated that 2-3 pilot areas will be selected to demonstrate the use of nature-based/soft-green infrastructure solutions for river bank protection. Efforts will also be made to reduce waste generation and discharge of waste (liquid and solid waste) directly into the river.

To avoid potential negative impacts due to land acquisition, compensation, and restriction of resources uses and to comply with the WB's safeguard policy on Involuntary Resettlement (OP/BP 4.12), a Resettlement Policy Framework (RPF) has been developed and it will be applied to all LDRM-AF activities to be implemented in Lao PDR. For the new activities/subprojects to be identified during implementation, a safeguard screening process as defined in the Environment and Social Management Framework (ESMF) and the social checklist will be carried out and the record should be kept in the project file for post review by the WB. The RPF also follows Government of Lao PDR (GoL) *Decree on Compensation and Resettlement of People Affected by Development Projects* (No. 84/GoL, 5 April 2016).

2.0 PRINCIPLES GOVERNING RESETTLEMENT

This RPF was prepared as a component of the ESMF for the Lao PDR DRM Project: Additional Financing (LDRM-AF) and provides guidance to decision-makers if a proposed sub-project requires use of land on a temporary or permanent basis and/or acquisition of land. Accordingly, the RPF was prepared to establish policies and procedures for preventing (avoiding), minimizing, mitigating and compensating for negative (adverse) impacts related to land acquisition resulting from a proposed sub-project.

The objective of the RPF is to minimize involuntary resettlement and provide a framework for assessing concerns of PAP and PAH which may be subject to loss of livelihoods, assets and well-being because of the proposed sub-project. The World Bank *Involuntary Resettlement* policy (OP/BP 4.12) is triggered when a development project (or sub-project) financed by the World Bank results in people losing land, other assets, or access to productive resources which may cause disruption to, or loss of, livelihood (i.e., property and assets), well-being and/or other entitlements. The RPF provides decision-makers with guidelines and processes for ensuring that PAP and PAH will improve their livelihoods and well-being or, at least, to restore them to levels prevailing at project commencement.

The RPF provides details on the instruments to be prepared, and the measures to be taken, during specific stages of sub-project design and feasibility assessment, and during implementation. The RPF sets out the guideline for determining compensation eligibility and a description of what that compensation might entail. An RPF (as opposed to a resettlement action plan) is the appropriate instrument at this stage of project preparation, as the project is in the planning stages and a decision has not been made by the GoL and the WBG about which proposed sub-projects will be funded, and the exact location or design features of those sub-projects. Such a determination until the project is under implementation when more comprehensive and up-to-date sub-project information is available, and a resettlement action plan (or abbreviated resettlement action) can be prepared.

The RPF will be considered applicable if proposed sub-projects affect households and communities which may be displaced, even on a temporary basis. Situations which may be subject to acquisition of land or relocation of PAP and PAH involve investment in urban flood risk management infrastructure, including physical works, such as construction and reparation of riverbank protection, dike, drainage canal and flood gates, and riverside park(s). In such situations, screening typologies will help decision-makers determine the safeguards measures for preventing (avoiding) or mitigating adverse effects.

3.0 RESETTLEMENT PROCESS AND APPROVAL

The World Bank environmental and social safeguards policies require the borrower country (Lao PDR) to prepare an ESMF and RPF consistent with GoL laws and addendums and any applicable treaty, such as the 1995 Mekong Agreement, concerning internationally shared waters. These safeguards documents must be prepared, publicly disclosed, and free, prior and informed consent undertaken to ensure proposed sub-project impacts (positive or adverse effects) are discussed before project appraisal. If less than 40 households (or 200 people) are affected by the sub-project, the appropriate safeguards measure is an ARAP. However, if more than 40 households are affected as a result of a proposed sub-project development, Project authorities are required to prepare an RAP for submission to the World Bank before any infrastructure works are undertaken.

The RPF is focused on providing guidelines for the development of a site-specific ARAP/RAP (OP/BP 4.12) during proposed sub-project implementation. As mentioned, while involuntary resettlement is expected to be minimal, PAP and PAH who are located on land within the dike construction zone, weir area and riverside park(s) may be relocated as a result of the proposed sub-project(s). Additionally, other land acquisition on a temporary or permanent basis may occur and, in this case, the GoL Decree on Compensation and Resettlement of People Affected by Development Projects (84/PM, 2016) as well as the World Bank's operational policy on involuntary resettlement (OP/BP 4.12) requires that an ARAP/RAP be developed and fully implemented.

The MPWT in association with relevant ministries such as the MPI, MOF, and MONRE will provide the general direction for the planning of the relocation and land acquisition process, ensure coordination between various stakeholders concerned with the project, including those directly connected with relocation and monitoring implementation. At commencement of the sub-projects, stakeholders will be consulted to establish planning principles and work arrangements aimed at identifying and mitigating adverse social impacts induced by the sub-projects. Annex 1 discusses the narrative content of the ARAP/RAP documents which outline what information to obtain through baseline surveys, valuation of properties, and a determination regarding compensation, whether in the context of temporary or permanent relocation and compensation or in the context of mitigating other sub-project related social impacts.

ARAP/RAP preparation must include the following principles for PAP and PAH so that they are:

- Informed about their options and rights pertaining to relocation and compensation;
- Consulted on, offered choices among, and provided with technically and economically feasible relocation and/or compensation alternatives; and
- Provided prompt and effective compensation at full replacement cost for losses of assets and access which are attributable to the sub-project.

Adequate public consultation and participation are mandatory requirements of the ARAP/RAP process. In addition, PAP and PAH must be made aware of:

- Their options and rights pertaining to land donation, relocation and/or compensation;
- Specific technically and economically feasible options and alternatives for relocation or resettlement sites;
- Process of and proposed dates for relocation, resettlement and/or compensation;
- Effective compensation rates at full replacement costs for loss of assets and services; and
- Proposed measures and costs to maintain or improve their standards of living and well-being.

As the PMU, the MPWT DOW will have two (2) Social Development Specialists (SDS) to work alongside the PMU team with the technical guidance and support from EDPD/PTRI. Among other duties, the role of the SDS is to monitor implementation of both the RPF and site-specific (i.e., region of influence [RoI]) ARAP/RAP to ensure that appropriate actions are addressed in relation to potential acquisition of land, relocation and/or resettlement issues. Upon approval of the RPF, potential social impacts for each sub-project that requires land acquisition (including land donation), relocation or resettlement will be addressed. It is important to use a participatory approach to engage stakeholders, civil society organizations (CSO), PAP and PAH to ensure broad acceptance of the proposed sub-projects in the RoI.

A screening and review process should be used for land acquisition, relocation and resettlement, and a compensation planning process, if applicable. The main purpose of utilizing a screening and review process is to identify land acquisition, relocation or resettlement, and/or compensation issues associated with proposed sub-projects in their RoI. For optimum planning, screening should take place during the initial stages of the RPF process so that the SDS is well-informed to develop the ARAP or RAP. The ARAP/RAP requires site-specific, sub-projects' footprint or RoI, comprehensive information to identify the following parameters:

- Persons who will be affected (positively or adversely) by the sub-projects;
- Persons eligible for compensation and/or assistance; and
- Type of compensation and assistance and/or assistance required.

Following completion, the ARAP/RAP will be submitted to the PMU for approval, following which, it will be forwarded to the World Bank.

Sub-projects that affect less than 40 households (or 200 people) and less than 10 percent of their productive assets are lost an ARAP to be prepared. The ARAP includes the following information: (i) brief description of the sub-project, location and its impacts; (ii) consultation with PAP and PAH; (iii) baseline information of PAP and PAH; (iv) category of PAP and PAH by degree and type of impacts; (v) entitlement for

compensation, allowances and rehabilitation or restoration assistance by category of impacts in a compensation matrix; (vi) information on relocation site, where applicable; (vii) institutional responsibilities for implementation and monitoring; (viii) grievance redress procedures; (ix) estimated cost of resettlement and yearly budget; and (x) time-bound plan for implementation.

A sub-project that affects more than 40 households (or 200 people) and more than 10 percent of their productive assets are lost a RAP to be prepared. Typically, the RAP would include the following: (i) brief description of the sub-project, location and its impacts; (ii) principles and objectives governing resettlement preparation and implementation; (iii) legal framework; (iv) baseline information of PAP and PAH; (v) category of PAP and PAH by degree and type of impact(s); (vi) entitlement to compensation, allowances, and rehabilitation or restoration assistance by category of impacts in a compensation matrix; (vii) information on relocation site together with socio-economic conditions on the secondary PAP and PAH and host communities; (viii) institutional arrangement for planning and implementation; (ix) participatory procedures during planning and implementation; (x) grievance redress procedures; (xi) estimated cost of resettlement and annual budget; (xii) time-bound action plan for implementation; and (xiii) internal and external monitoring procedures, including the ToR for external monitoring and evaluation.

Appendix A1 provides resettlement outline formats including annotated ARAP and RAP documents.

4.0 CATEGORIES OF DISPLACED PERSONS

The Lao PDR sub-projects will have both positive and adverse (negative) impacts on people in the provinces of Oudomxay, Luang Prabang and Borikhamxay and vicinity where urban flood protection measures are under consideration. It is reasonable to presume that households, commercial enterprises and public infrastructure (e.g., schools, health clinics and hospitals, government buildings' boundary fences) whose properties encroach the dike construction zone, drainage canal and floodgates, weir and riverside parks will potentially be affected adversely, if only in a minor way.

Once the sub-project locations are known and land acquisition or associated impacts are identified, resettlement planning should begin. The PMU-MPWT with technical assistance and support from EDPD/PTRI will carry out, or cause to be carried out, a census survey to identify and enumerate all PAP and PAH, and a socio-economic survey conducted to determine the range and scope of impacts in the RoI.. The surveys, which may be undertaken separately or simultaneously, determine whether an ARAP or RAP is necessary.

Although all project activities have the potential to affect all categories of people in the respective RoI locations (whether categorized by race, religion, ethnicity, gender, age, economic status, land tenure or other), only activities that require relocation either on a temporary or permanent basis are considered to have the potential of causing serious displacement problems. The RPF recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels; and therefore, are at greater risk of impoverishment when their land and other assets are affected. During the ARAP/RAP social assessment, the project will identify any specific needs or concerns that should be considered for the different populations (ethnic peoples and vulnerable groups – women and female/male youth and children, the elderly and disabled, landless, and poor, etc.) without means of support. Gender integration will be considered during the planning and implementation of the ESMF, RPF and EGEF processes.

5.0 DISPLACED PERSONS ELIGIBILITY CRITERIA

Following Lao PDR laws and regulations on acquisition of land and, in consideration of the World Bank *Involuntary Resettlement* policy (OP/BP 4.12), the basic principles of land acquisition and land donation for the project include the following elements:

- Minimize negative or adverse impacts as much as possible;
- Carry out land adjustment or compensation to improve or, at least, restore the pre-project income and living standards of PAP and PAH;
- Ensure free, prior and informed consent with PAP and PAH on land donation, land acquisition and compensation arrangements, and ensure the process is well documented; and
- Provide compensation, if applicable, for private assets at replacement rates, prior to commencement of urban flood risk management infrastructure investments.

Displaced persons may be classified in one of the following three groups:

- a) Those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); will be entitled to compensation for the land they lose, all assets affixed to the land, as well as income restoration measures;
- b) Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets—provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan will be will be entitled to compensation for the land they lose, all assets affixed to the land, as well as income restoration measures; and
- c) Those who have no recognizable legal right or claim to the land they are occupying, will be entitled to all assets affixed to the land, as well as income restoration measures. In cases where the remaining portion of land is no longer viable they will be entitled to a replacement plot.

Persons covered under a) and b) are provided compensation for the land they lose, and other assistance in accordance with para. 6. Persons covered under c) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set out in this policy, if they occupy the sub-project area prior to a cut-off date established by the borrower and acceptable to the Bank.

All PAP and PAH comprised of different populations (see Table 2: Entitlement Matrix) will be provided with compensation (if deemed legal owner or occupant during census), and rehabilitation and restoration if: (i) their land is acquired for project purposes (ii) their income source is directly and adversely affected; (iii) their houses are partially or fully demolished; and (iv) other assets (i.e., crops, trees and facilities) or access to these assets will be reduced or damaged due to land acquisition. Those PAPs or PAHs who have encroached upon public land will have the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and will not necessarily have the right to compensation for land that they cannot establish ownership of or a right of

access to.² Table 1 compares applicable GoL legislation with the WB *Involuntary Resettlement* operational policy (OP/BP 4.12).

Thus, land acquisition and/or land donation and its effect on income sources either on a temporary or permanent basis will apply to all proposed sub-projects in Lao PDR under the SEA DRM Project regardless of whether they are directly funded by the World Bank or not. The policy applies to all PAP and PAH regardless of the number or the severity of the induced impact.

As mentioned, attention is to be given to the needs of different populations (ethnic peoples and vulnerable groups – women and female/male youth and children, the elderly and disabled, landless, and poor, etc.).

² Lao PDR DRM Project funds may be used to compensate for land acquired under the project as well as pay expenses such as income restoration and moving allowances for both formal and informal occupants at the impacted sites.

6.0 LEGAL FRAMEWORK ASSESSMENT

Moderate environmental and social impacts are anticipated as the proposed urban flood risk management infrastructure investments will require acquisition of land either on a temporary or permanent basis and PAP and PAH may be required to relocate if riverside park(s) are included in the proposed infrastructure investment. Subsequent feasibility and design studies will be guided by the World Bank safeguards documents prepared in line with applicable national laws and the World Bank's Operational Policies on Involuntary Resettlement.

The key Lao PDR legislation and policies relevant to the environmental and social management of the project include:

- Constitution of the Lao People's Democratic Republic (1991, amended 2003 and 2015);
- Environmental Protection Law (EPL, 2013);
- Environmental Impact Assessment Decree (No 21, January 31, 2019, which supersedes Ministerial Instruction No. 8030/MONRE on Environmental and Social Impact Assessment (ESIA) and Initial Environmental Examination (IEE) of Investment Projects (2013);
- Public Involvement Guideline (2012);
- Water and Water Resources Law (1996);
- Forestry Law (2007);
- Wildlife Law and Aquatic Law (2007);
- Decree on Compensation and Resettlement of People Affected by Government Projects (No. 84/GOL, 5 April 2016); and
- Land Law (2003) with the revised version expected to be approved in late 2019.

Lao PDR has formulated many laws, decrees, regulations and guidelines for environmental conservation and protection, specifically covering land, forest, water, aquatic and wildlife. The revised Environmental Protection Law (EPL, 2013) is the nation's principal environmental legislation. The EPL set up unified environmental management for environmental resources with the objective of preserving and facilitating sustainable use of natural resources. The EPL includes measures for the protection, improvement, mitigation and restoration of the environment and guidelines for environmental management and monitoring. MONRE is responsible for implementation of the EPL and various ministries have issued guidelines for implementing provisions of the EPL.

Lao PDR regulations applicable to the development of infrastructure projects include the Environmental Impact Assessment (EIA) Decree No 21 (2019) which supersedes *Ministerial Instruction No. 8030/MONRE* (2013) and the *Environmental Assessment Guidelines* (2012). EIA Decree provides direction to the environmental and social assessment process in Lao PDR. Additionally, the more recent *Ministerial Instructions on Public Involvement in the Process of Environmental Impact*

Assessment of Investment Projects provide updated guidance on the environmental and social assessment process.

Established in 2005 and revised in 2016, the *Decree on Compensation and Resettlement of People Affected by Development Projects* has particular relevance to the Lao PDR DRM Project. The decree describes the principles, rules and measures to mitigate adverse social impacts and to compensate for damages that result from involuntary land acquisition or repossession of land and fixed or movable assets, including changes in land use and/or restriction of access to community or natural resources affecting PAP livelihood and income sources. The decree aims to ensure that PAP and households are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not made worse off than they would have been without the project. The provisions will be applied during the preparation and implementation of the social impact assessment (SIA), the social impact mitigation and monitoring plan, and/or the ARAP/ RAP.

The World Bank states that economic development requires, to varying degrees, providing infrastructure and facilities that improve livelihoods and well-being through the expansion of economic opportunities. WBG investment projects must pass the litmus test of its own environment and social safeguards policies and the borrower country for a sub-project to receive funding. These safeguards policies help decision-makers to identify, prevent (avoid), minimize or mitigate harms to people and their environment. The World Bank safeguards policies also require borrower governments (GoL) to address specific environmental and social risks as a prerequisite to obtaining WBG financing for development projects.

The project is characterized by a number of proposed sub-projects with little or no detail of the final short list of urban flood risk management infrastructure sub-project investments. The ESMF provides an overarching safeguards document governing the approach, processes and specific instruments to guide and inform the Environmental and Social Management Plan (ESMP), ARAP/RAP and Ethnic Group Engagement Plan (EGEP), and other safeguard instruments and measures (if applicable) during sub-project infrastructure investment feasibility and design studies.

Most aspects of the World Bank *Involuntary Resettlement* Policy (OP/BP 4.12) are largely addressed in Lao PDR law. The overarching objective of the project in relation to land and asset acquisition is to assist the PAP and PAH to restore their livelihoods, at least, to the level equal to their pre-project level. Specific principles that apply include:

- Urban flood risk management infrastructure investments should avoid residential areas wherever possible to minimize the physical relocation of PAP and PAH, and select the infrastructure footprint that minimizes acquisition of privately or publicly held productive land;
- Ensure design standards minimize the need to impose land use restrictions on adjoining areas;

- Develop fair and transparent procedures, as defined in the Entitlement Matrix of this RPF to determine compensation for (i) temporary loss of land and/or assets during riverbank protection, construction and reparation works; (ii) permanent acquisition of land and/or assets; and (iii) restrictions on use of land that may be applied to areas adjoining the sub-projects' river conservation zone footprint and RoI;
- Acquire land (or right to use land) through negotiated agreements and with the use of the power of eminent domain only as a last resort;
- Upon completion of the urban flood risk management infrastructure riverbank protection, construction and reparation works, restore land as best as possible to its original condition in the event of temporary disruption to enable landowners/users/lessees to resume their pre-sub-project activities;
- Keep PAP and PAH, and communities fully informed about the sub-projects, the process that will be followed to acquire and compensate for land, and their related rights and avenues for redress;
- Ensure that aggrieved PAP and PAH will have redress and recourse options and that solutions are in line with principles stipulated in this RPF and, more importantly, are employed;
- All PAP and PAH, without regard to legal status of property, will receive support of various kinds, as per the principles set out in the Entitlement Matrix (see Section 8.0, Table 2), to assist them in their efforts to maintain their livelihoods and well-being prevailing prior to the project. PAP and PAH who may have adverse possession of land (i.e., squatters) may not be compensated for loss of land but can receive compensation for loss of other assets which had been established with their own finances, and for loss of income such that they assisted in their efforts to maintain their livelihoods and well-being. Detailed measures to be implemented will be determined based on a RoI census and socio-economic baseline survey conducted when the ARAP/RAP is developed;
- PAP and PAH will be notified of the project implementation schedule and consulted regarding the principles of land acquisition and loss of, or damage, to assets; and
- Damages to assets, such as standing crops, trees, fences and kiosks, and loss of income (including loss of harvest) will be minimized, however inevitable, and will be compensated without regard to legal status of ownership according to the Entitlement Matrix illustrated in Table 1.

The recently revised (2016) *Decree on Compensation and Resettlement of People Affected by Development Projects* provides the principles, mechanisms and procedures to mitigate adverse social impacts and to compensate damages that result from involuntary land acquisition or repossession of land and fixed or movable assets. The Compensation and Resettlement (C&R) decree aims to ensure that PAP and PAH are compensated and assisted to improve or maintain their pre-project incomes and standard of living, and are not made worse off than they would have

been without the project. The Decree (No. 84/GOL, 2016) is largely consistent with the main principles of the World Bank's Involuntary Resettlement policy (OP/BP 4.12). Table 1 provides a gap analysis between the World Bank policy on *Involuntary Resettlement* (OP/BP 4.12) with the Lao PDR 2016 Decree (No. 84/GOL).

Table 1 Gap analysis between the World Bank Involuntary Resettlement Policy (OP/BP 4.12) and Lao PDR 2016 Decree on Compensation and Resettlement of People Affected by Development Projects.

| Subjects | OP 4.12 | Compensation and Resettlement Decree No. 84/GOL (2016) | Gap/Project Measures |
|--|---|---|--|
| 1. Land Property | | | |
| <i>1.1. Policy objectives</i> | <i>PAPs (Project Affected Persons) should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher</i> | PAP are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not made worse off than they would have been without the project. | OP 4.12 Policy Procedures will be applied - cash compensation at replacement cost for land and structures will be paid without deduction for depreciation or salvageable materials. Also – income additional payments will be made to restore incomes, crops, trees as well as moving costs. |
| <i>1.2. Support for affected households who have no recognizable legal right or claim to the land they are occupying</i> | <i>Financial assistance to all project affected persons to achieve the policy objective (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher)</i> | PAP who do not have legal land title, land use certificate or other acceptable documentation indicating their land use right, including customary and traditional land use right, only provides the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and not land. | PAPs who do not have legal title, land use certificates or other acceptable documentation indicating their land use right will still be entitled to Financial assistance to achieve the objective of the involuntary resettlement policy (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels |

| | | | |
|---|---|---|---|
| | | | prevailing prior to the beginning of project implementation, whichever is higher) |
| | | | Vulnerable PAPs will receive special assistance. |
| | | | OP 4.12 Policy Procedures will be applied. |
| <i>1.3. Compensation for illegal structures</i> | <i>Compensation at full cost for all structures regardless of legal status of the PAP's land and structure.</i> | PAP who do not have legal land title, land use certificate or other acceptable documentation indicating their land use right, including customary and traditional land use right, only provides the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and not land. | <p>Compensation at full replacement cost will be given for all structures affected, regardless of legal status of the land and structure.</p> <p>Provide moving allowance based on structure types.</p> <p>OP 4.12 Policy Procedures will be applied.</p> |

Table 1 (Cont'd.)

| Subjects | OP 4.12 | Compensation and Resettlement Decree No. 84/GOL (2016) | Gap/Project Measures |
|---|--|---|---|
| 2. Compensation | | | |
| 2.1. Methods for determining compensation rates | <i>Compensation for lost land and other assets should be paid at full replacement costs,</i> | <p>Article 2:</p> <ul style="list-style-type: none"> ▪ The compensation shall be in the form of land, material or money for the land, agricultural products, livestock and incomes that are affect by development projects based on compensation value. <p>Article 4</p> <p>6. Compensation value means the value calculated in the form of material, money or land, constructed facilities, agricultural products, livestock and incomes which have been affected by development projects.</p> <p>Article 9</p> <ul style="list-style-type: none"> ▪ 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 | <p>Independent appraiser conducts replacement cost study for all types of assets affected in order to establish compensation, which are appraised by IRC/GDR to ensure full replacement costs.</p> <p>OP 4.12 Policy Procedures will be applied</p> |

potential incomes and organize consultations with affected people by selecting the right and appropriate options based on prices applied by the state, market prices or average prices applicable for period of compensation and based on the types of properties and locations.

- The prices applied by the state (middle prices) are the prices specified in a separate regulation which are identified and regulated by the Ministry of Natural Resources and Environment from time to time.

2.2. Compensation for loss of income sources or means of livelihood

Loss of income sources should be compensated (whether or not the affected persons must move to another location)

Article 9

- Provision of agriculture land in appropriate ways including the creation of new livelihood options and stable income generation activities and promotion of local crafts/industry in addition to agricultural production activities for the affected people.

OP 4.12 Policy Procedures will be applied – loss of income will be restored to pre-displacement rates regardless of the legal status of the affected person

Table 1 (Cont'd.)

| Subjects | OP 4.12 | Compensation and Resettlement Decree No. 84/GOL (2016) | Gap/Project Measures |
|---|---|---|--|
| <i>2.4. Livelihood restoration and assistance</i> | <i>Provision of livelihood restoration and assistance to achieve the policy objectives.</i> | <p>Article 13:</p> <ul style="list-style-type: none"> ▪ In parallel with the establishment of resettlement plan as prescribed in article 10 of this decree, the project owner must coordinate with the compensation and settlement committee at the local level to collect information on livelihood and income generation matters of the affected people in details to establish the livelihood rehabilitation plan to contribute to the management and monitoring social and environmental impacts within the project development framework. | <p>Because the impacts are expected to be minor, income restoration will be addressed on a case by case basis, with additional payments being made to restore incomes and livelihoods to pre-displacement rates.</p> |
| <i>2.5. Consultation and disclosure</i> | <i>Participation in planning and implementation, specially confirming the eligibility criteria for compensation and assistance, and access to Grievances Redress Mechanisms</i> | <p>Article 5:</p> <p>The compensation and resettlement shall be carried out in compliance with the following principles:</p> <ol style="list-style-type: none"> 1. Protection of the rights and legitimate benefits of affected people; 2. Ensure equality, correctness, transparency, disclosure and | <p>Extensive consultation and participation will be conducted at every stage of RAP planning and implementation.</p> <p>OP 4.12 Policy Procedures will be applied.</p> |

- fairness;
3. Ensure coordination, consultation and participation between the project owner, affected people, state agencies and other relevant stakeholders.

3. Grievance Redress Mechanism

Procedures for recording and processing grievances

Grievance redress mechanism should be under Government Officials Responsibilities for handling grievances with clear procedures for recording and processing grievances

Article 23:
In case the affected view that the project owner does not comply with the plan for compensation, resettlement and rehabilitation of people's livelihood in accordance with this decree or other related plans that affect their interests, they are entitled to request to related authorities to solve the request(s) according to the procedures stipulated in paragraph 1, article 24 of this decree.

Grievances from PAP and PAHs in connection with the implementation of the RP will be handled through negotiation with the aim of achieving consensus. Complaints will go through three stages before they may be elevated to a court of law as a last resort.

4. Monitoring & Evaluation

Internal and external independent monitoring are required

Article 27:

- The project owner must set up a management unit of compensation and resettlement to take charge of monitoring and examination by himself other than other parties. The unit is obliged to make reports to the state audit-inspection organizations concerning the monitoring and examination of the implementation of the plan for compensation, allocation and relocation, and rehabilitation of people's livelihood of the development project as stipulated in the overall plan, at each period.

The PMU in close coordination with GDR-IRC will conduct internal monitoring on resettlement implementation. The monitoring will include progress reports, status of the RP implementation, information on location and numbers of people affected, compensation amounts paid by item, and assistance provided to PAHs. The report of monitoring results will be prepared by MRD and submitted to IRC and WB on a quarterly basis.

All the above discussed gaps and any other discrepancies that may be identified between the World Bank safeguard policies and national laws or legislation shall be governed by the former. Certain principles must be supported to address gaps in existing Lao PDR legal provisions. The RPF is based on a philosophy that the project must serve the needs of society and ensure PAP and PAH are at least as well off due to sub-project implementation as they were prior to commencement of proposed urban flood risk management infrastructure investment. This can be ensured through the following objectives:

- Avoid involuntary resettlement where feasible and minimize resettlement where population displacement is unavoidable;
- Ensure that displaced people receive compensation, assistance and livelihood restoration so that they would be at least as well off as they would without the project;
- PAP and PAH will benefit from the sub-projects;
- Project stakeholders (including PAP and PAH) are consulted and given the opportunity to participate (as practical) in the design, implementation and operation of the sub-projects; and
- Appropriate assistance and compensation (cash or in-kind) is provided to adversely impacted PAP and PAH, and different populations who may have usage or customary right to the land or other resources taken for sub-projects.

7.0 ASSET VALUATION

The GoL agreed to a methodology for valuing affected assets as per the World Bank-financed Lao Road Sector Project 2 (LRSP-2). Accordingly, the following narrative draws heavily from the LRSP-2 best practice RPF example and is complemented by the field visits undertaken as part of this assignment, stakeholder and community consultations, and professional judgment.

The sub-projects may impact PAP directly or indirectly and it may not be possible to eliminate the need for land acquisition. Although involuntary resettlement is not expected during implementation of the sub-projects, it is possible and likely that local communities, PAP and PAH elect to make a voluntary contribution of affected land without compensation. In this case, the sub-project must address the issue of voluntary donation. This would only be acceptable for marginal impacts and only when benefits to PAP and PAH can be assured and the impact is less than 10 % of the total land area. The process of meaningful consultation with potential contributors should be conducted in an open and transparent manner by the Village Resettlement Sub-committees (VRS) with decisions regarding voluntary contributions based on free, prior and informed consent (FPIC) with PAP and PAH. Local authorities must document the consultation process and agreement as part of the urban flood risk management infrastructure investments. The treatment of PAP and PAH must comply with relevant World Bank policies and procedures.

It is possible that ethnic groups can be affected directly or indirectly by the proposed sub-projects. In this case, an EGEF is prepared as a separate guiding document based on the EGEF for the project. Where the proposed sub-projects directly or indirectly impact ethnic groups, then the necessary safeguards instruments and measures will be developed to guide the feasibility and design studies prior to project appraisal. Accordingly, the consultation process and any planned prevention (avoidance) or mitigation measures must be documented. If ethnic groups were adversely affected by sub-projects due to the requirement for land acquisition or, other induced negative impacts (i.e., loss of livelihood, assets, well-being and/or other entitlements) then, the EGEF would discuss these direct or indirect effects and provide guidance for the development of social safeguards instruments and measures. The RPF provides guidance on acquisition of land and other assets which may result in disruption or loss of livelihood and income to PAP and PAH.

The RPF also includes guidance on voluntary acquisition of land or other assets (including restrictions on asset use) caused by project and sub-project implementation either through contribution or with compensation by communities; which are described in Section 14.0 and Appendix A2 of this document. The MPI will establish principles and procedures to ensure equitable treatment for, and restoration of, any person adversely affected by project implementation.

Two forms of acquisition of land will be considered under the Lao PDR DRM Project including:

- *Voluntary Contributions*: will be accepted as long as the free, prior and informed consent process is followed and adhered to, and such a situation is well documented by local authorities. Voluntary Land Donations can only be

justified when the proposed sub-projects will likely directly benefit the PAP and PAH, and when the sub-project location is not fixed to the site. However, voluntary land and/or asset contributions will not be considered if sub-projects are site-specific (i.e. they must be located at that site because of its unique locational or physical characteristics), would significantly harm the livelihoods and well-being of individual owners or users (i.e., land acquisition will not constitute more than 10 % of PAP and PAH income generating assets or involve the relocation of the household residential structure see Table 1); and

- *Voluntary Contributions with Compensation*: persons who contribute land or other assets have the right to seek and receive compensation³. In such cases, project authorities will ensure that compensation terms are agreed to before sub-projects are undertaken. These terms will include:
 - Replacement of land with an equally productive plot or other equivalent productive assets;
 - Materials and assistance to replace fully solid structures that will be demolished;
 - Replacement of damaged crops and commercial-value trees, at market value; and
 - Other acceptable in-kind compensation.

In cases where land will be purchased, replacement cost will be paid. **Replacement cost** – is the method of valuation of assets which determines the amount of compensation sufficient to replace lost assets, including any necessary transaction costs. Compensation at replacement cost is defined as follows: For agricultural land, it is the pre-sub-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard.

³ Lao PDR DRM Project funds may be used to compensate for land acquired under the project as well as pay expenses such as income restoration and moving allowances for both formal and informal occupants at the impacted sites.

Replacement costs will be calculated on the basis of a replacement cost study. The main objective of the RCS is to determine the rate of land prices based on actual transaction records of the affected areas, of affected main and secondary⁴ structures and other immovable assets. This study would be conducted by an independent appraiser. Based on the results of RCS, the PAH will receive compensation at replacement cost (reflecting market price) from RoUM for their loss of land and property due to the sub-project. The RCS will be implemented during the DMS.

Where necessary, the GoL will also provide special assistance in the form of suitable land, rental allowances, livelihood restoration payments, disruption allowances, as well as special payments to vulnerable populations affected by the project (ethnic peoples, women and female/male youth and children, the elderly and disabled, landless, and poor, etc.). The main principle is that PAP and PAH are not made worse off by implementation of the proposed sub-projects.

⁴ This includes fences, wells, toilets, kitchens, etc.

8.0 ORGANIZATIONAL PROCEDURES FOR ENTITLEMENTS

The PMU-MPWT DOW has the lead responsibility for the sub-projects and implementation of the RPF. The MPWT DOW in association with the Provincial Department of PWT Waterway Sector Project Implementation Unit (PIU) in the provinces of Oudomxay, Luang Prabang and Borikhamxay will develop and implement the abbreviated resettlement action plan/resettlement action plan in the respective footprint for each sub-project according to the policies and procedures articulated in the RPF, relevant Lao PDR national laws and decrees, and the World Bank safeguards policy (OP/BP 4.12).

In addition to MPWT DOW, a number of other government departments will play instrumental roles in the design, construction and operation of the project. Pursuant to the active legislation, MONRE is responsible for environmental issues. MPI is responsible for legal matters regarding land ownership and expropriation. Table 2 shows the general entitlements for compensation and restoration assistance guidelines for the project. However, the ARAP/RAP may provide more specific details or additional allowances.

The PMU-MPWT DOW with the technical assistance and support from EDPD/PTRI are responsible for supervising and providing implementation support for safeguards, including the ESMP, ARAP/RAP and EGEP. Compensation will be reviewed and managed or monitored by the Provincial and District Resettlement Committees, which will be established in accordance to the Decree 84, 2016 on compensation and resettlement. Village Resettlement Sub-committees (VRS) will also be established as needed in villages where land acquisition and resettlement will occur, and the VRS will facilitate compensation and consultation with the project affected people and their households and manage the grievance redress mechanism at the village level. The VRS will be established within villages where land acquisition and resettlement impact exist.

It is incumbent upon the PMU to assist in the formation of the resettlement committees and provide training and capacity development in relation to the compensation entitlements and ARAP/RAP. The PMU with the support from EDPD/PTRI will have a supervisory role and will ensure that provisions contained in the ARAP/RAP are implemented, monitored and reported.

The PMU-MPWT DOW will be responsible for the organizational arrangements associated with implementing and delivery of entitlements relevant to mitigating adverse impacts and compensation. The process for implementing the mitigation measures should include:

- Determine if land acquisition and loss of other assets will occur or voluntary land donation or relocation is required (a census and detailed socio-economic surveys need to be conducted on PAP within the RoI after confirmation of sub-projects' footprint);
- Develop a detailed list of all PAP and PAH in the RoI;

- Determine what each PAP and PAH would lose in terms of livelihoods and assets (land, crops, trees);
- Determine what the timeframe is for compensation, if any;
- Development of a ARAP/RAP and submission to the World Bank for “no objection” to proceed;
- Provide compensation in-kind or cash, if applicable; and
- Determine what the preferred compensation is, ensuring a participatory process.

Table 2 Entitlement matrix.

| Type of Losses | Entitled Persons | Entitlements | Implementation Issues |
|------------------------|---|--|---|
| <i>A. Loss of Land</i> | | | |
| Residential Land | Legal owner or occupant identified during census and tagging. | <ul style="list-style-type: none"> ▪ <u>With</u> remaining land sufficient to rebuild houses/structures: (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) District government to improve remaining residential land at no cost to PAP/PAH (e.g., filling and leveling) so PAP/PAH can move back onto a plot. ▪ Without remaining land sufficient to rebuild houses/structures: (i) Replacement land equal in area, same type and category, without charge for taxes, registration and land transfer, with land title (assuming Land Titles are available in the area); if not, land survey certificate, OR (ii) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, free from transaction costs (taxes, administration fees) plus assistance to purchase and register land. | <ul style="list-style-type: none"> ▪ Legal owners are those who have land use certificates or land titles from the Land Titling Project. ▪ Voluntary donation of minor strips of residential land will only be allowed by the project provided that the following criteria are strictly complied with: (i) the PAP's total residential land area is not less than 300 m²; (ii) if the PAP/PAH's total residential land area is more than 300 m², the strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no houses, structures or fixed assets on the affected portion of land. ▪ Voluntary donation according to these criteria will follow the process in accordance with World Bank's Operational Policy, which is the same as the Government's Decree 84/PM/2016. |

B. Loss of Structures

| | | | |
|--|---|---|--|
| <p>Totally Affected Houses/Shops, and Secondary Structures (kitchen, rice bins) Partially Affected Houses/Shops but no longer viable (Will require relocation)</p> | <p>Owners of affected houses whether or not land is owned (regardless of legal status).</p> | <ul style="list-style-type: none"> ▪ 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 ▪ Timely provision of trucks for hauling personal belongings at no cost to the PAP. | <ul style="list-style-type: none"> ▪ Adequate time provided for PAP/PAH to rebuild/repair their structures. ▪ Affected houses and shops that are no longer viable are those whose remaining affected portion are no longer usable/habitable. |
|--|---|---|--|

Table 2 (Cont'd.)

| Type of Losses | Entitled Persons | Entitlements | Implementation Issues |
|--|---|--|---|
| <i>B. Loss of Structures (Cont'd.)</i> | | | |
| Partially Affected Houses and Shops and secondary structures (Will not require relocation) | Owners of affected houses whether or not land is owned. | <ul style="list-style-type: none"> ▪ Cash compensation at replacement cost for the affected portion of structure equivalent to current 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. | |
| Electricity Poles | Electricity Companies. | <ul style="list-style-type: none"> ▪ Cash compensation for cost to dismantle, transfer and rebuild. | |
| <i>C. Loss of Livelihoods Activities Including Crops, Trees and Ponds</i> | | | |
| Productive Land (paddy, garden, and Teak Plantation) | Legal owner or occupant identified during census and tagging. | <ul style="list-style-type: none"> ▪ For marginal loss of 10% (or less) of land, 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), or | <ul style="list-style-type: none"> ▪ Legal owners are those who received land utilization certificates or land titles from the Land Titling Project. |

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- Replacement land of similar type, category and productive capacity of land within or nearby the village, with land title.
 - Voluntary donation will not be applied for any assets except for very minor losses of land holding as defined under this RPF.
-
- If the impacts on the total productive land is 10% or more, as a priority, replacement land of similar type, category and productive capacity of land within or nearby the village, with land title (assuming Land Titles are issued in the area). If not, land use certificate to be issued. Alternatively, at the request of PAP or PAH, cash compensation at replacement cost plus assistance to purchase and register land.
-

Table 2 (Cont'd.)

| Type of Losses | Entitled Persons | Entitlements | Implementation Issues |
|---|--|--|---|
| <i>C. Loss of Livelihoods Activities Including Crops, Trees and Ponds (Cont'd.)</i> | | | |
| Fishpond (Remaining area is still viable or can still meet expected personal or commercial yield) | Owner of affected fishpond. | <ul style="list-style-type: none"> ▪ 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). ▪ If the currently held fish stocks will not be harvested before the project takes possession of the fishpond, then cash compensation for the projected mature value of fish stock held at the time of compensation. ▪ District government to restore/repair remaining fishpond. If support cannot be provided by the contractor, the PAP will be entitled to cash assistance to cover for payment of labor and rent of equipment to restore/repair fishpond. | <ul style="list-style-type: none"> ▪ Adequate time provided for PAP to harvest fish stocks. ▪ Voluntary donation of fishpond land will not be allowed by the project. |
| Crops and Trees | Owner of crops and trees whether or not land is owned. | <ul style="list-style-type: none"> ▪ 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 three years multiplied by the current market value of crops. | |

-
- For perennial crops and trees, cash compensation at replacement cost equivalent to current market value based on type, age, and productive capacity.
 - For timber trees, cash compensation at replacement cost equivalent to current market value based on type, age and diameter at breast height (DBH) of trees.
-

Table 2 (Cont'd.)

| Type of Losses | Entitled Persons | Entitlements | Implementation Issues |
|---|---|--|---|
| <i>C. Loss of Livelihoods Activities Including Crops, Trees and Ponds (Cont'd.)</i> | | | |
| Loss of business income during relocation or during dismantling/repair of affected portion (without relocation) | Owners of shops. | <ul style="list-style-type: none"> ▪ For businesses (shops) cash compensation equivalent to the average daily revenue for the business over the previous 12 months. | <ul style="list-style-type: none"> ▪ It is estimated that it will take one day to move the shops if made of traditional materials (bamboo)/movable (can be carried without totally dismantling the structure) and approximately four weeks – maximum - to re-establish business in another location. It will take about two days to remove and repair affected portion of shop made of permanent materials (such as good wood and concrete). Because these structures will not be relocated, business can commence as soon as repairs are completed. ▪ The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit. |
| Severe impacts on vulnerable PAP (Relocating PAP and those losing | Vulnerable PAP/PAH such as the poorest, or households headed by | <ul style="list-style-type: none"> ▪ An additional allowance of 1-month supply of rice per person in the household. | <ul style="list-style-type: none"> ▪ The poorest will be those below the national poverty line as defined in the poverty partnership agreement with World Bank. |

| | | |
|----------------------------------|---|---|
| | | <ul style="list-style-type: none"> ▪ Eligible to participate in income restoration program. |
| | | <ul style="list-style-type: none"> ▪ The contractors will be required make all reasonable efforts to recruit severely affected and vulnerable PAP as laborers for road construction and road maintenance works. |
| Transition subsistence allowance | <p>Relocating households – relocating on residual land or to other sites.</p> <p>Severely affected PAP losing 10% or more of their productive land.</p> | <ul style="list-style-type: none"> ▪ Relocating PAP/PAH without any impact on business or source of incomes will be provided with cash or in-kind assistance equivalent to 16 kg of rice at current market value for 3 months per household member. ▪ Relocating PAP/PAH with main source of income affected (i.e., from businesses) or PAP losing more than 10% of their productive land will be provided with cash or in-kind assistance equivalent to 16 kg of rice at current market value for 6 months per household member. |

Table 2 (Cont'd.)

| Type of Losses | Entitled Persons | Entitlements | Implementation Issues |
|--|----------------------------------|---|--|
| <i>D. Loss of Common Property Resources</i> | | | |
| Permanent loss of physical cultural resources/public structures/village or collective ownerships | Villagers or village households. | <ul style="list-style-type: none"> ▪ Compensation at replacement cost for present/existing structures based on its present value. | |
| Graves located in the affected areas | Owners of graves. | <ul style="list-style-type: none"> ▪ Compensation for the removal, excavation, relocation, reburial and other related costs will be paid in cash to each affected family. | |
| <i>E. Temporary Impacts Due to Sub-Project Construction or Maintenance</i> | | | |
| Temporary Use of Land | Legal owner or occupant. | <ul style="list-style-type: none"> ▪ 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 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 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. | <ul style="list-style-type: none"> ▪ 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) that the 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. |

| | | | |
|--------------------------|---|---|--|
| Transportation allowance | Relocating households – to other sites. | ▪ Provision of dump trucks to haul all old and new building materials and personal possessions. | ▪ PAP/PAH may also opt for cash assistance. The amount (cost of labor and distance from relocation site) to be determined during implementation. |
|--------------------------|---|---|--|

MPWT DOW as the PMU would be responsible for public consultation and public disclosure of information to national and subnational government, stakeholders and civil society organizations (Non-Profit Associations, Community Based Organizations (CBO), communities, and PAP and PAH. Consultations and community participation would be conducted throughout the sub-projects' planning process, design and implementation stages. Planning and acquisition of land and other assets from PAP and PAH will follow a free, prior and informed consent process and be well documented. PAP and PAH will receive prior information regarding the form of compensation (if applicable), relocation and other assistance available to them, including:

- Relevant details about the sub-project;
- ARAP/RAP and various degrees of sub-project impact;
- Details of entitlements under the ARAP/RAP and PAP and PAH requirements for accessing entitlements;
- Compensation process and rates;
- Relocation and resettlement site development consultations to obtain agreement through free, prior and informed consent (FPIC) and support of PAP and PAH from participation in the consultations;
- Implementation schedule with timetable for delivery of entitlements; and
- Information concerning grievance redress mechanisms and how to utilize them.

9.0 LINKING RESETTLEMENT TO CIVIL WORKS

As mentioned, the project is expected to cause moderate physical relocation as a result of proposed sub-projects related to the urban flood risk management infrastructure investments. Urban flood risk management infrastructure initiatives may require the permanent use of some areas for riverside protection, dike, drainage canal and flood gates, weir and riverside park(s) will require acquisition of land. In addition, temporary use of some areas will be required for borrow pits or waste disposal sites which may result in unexpected low-level impacts, including disruption of access or damage to property (i.e., land and buildings). Urban flood risk management infrastructure initiatives may also require the relocation of temporary structures, temporary occupation of plots of land or may cause damage to crops and trees within the dike construction zone, other footprint (i.e., drainage canal and flood gates, weir and riverside parks) or RoI.

Acquisition of land would be identified during implementation when final urban flood risk management infrastructure design becomes available and the extent of land acquisition required and its impact on PAP and PAH are known. However, it may be surmised that even temporary displacement and dislocation of businesses in the short term may have an adverse social impact on communities and different populations.

Local communities, PAP and PAH may elect to make a voluntary contribution of affected land without compensation. This situation should only be acceptable for marginal impacts when benefits to PAP and PAH can be assured, and where the sub-project is not site-specific. The process of consultation with potential contributors should be conducted in an open and transparent manner by the resettlement committees with decisions regarding voluntary contributions based on free, prior and informed consent and voluntary choice by affected people. Local authorities must document the consultation process and agreement as part of the urban flood risk management infrastructure investment.

All PAP and PAH, without regard to legal status of property, will receive support of various kinds, as per the principles outlined in the Entitlement Matrix, to assist them in their efforts to maintain their livelihoods and well-being prevailing prior to implementation of the project. Those who may have adverse possession (i.e., squatters) will not be compensated for loss of land but will receive compensation for loss of other assets which have been established with their own finances, and for loss of income such that they are assisted in their efforts to maintain their livelihoods and well-being. Detailed measures to be implemented will be determined based on the census and socio-economic survey conducted when the ARAP or RAP are developed.

PAP will be notified of the sub-project implementation schedule and consulted regarding the principles of land acquisition and loss of, or damage to, assets. Damages to assets, such as, standing crops, trees, fences and kiosks, and loss of income, including loss of harvest will be minimized, although some disruption is inevitable. Where disruption occurs, PAP and PAH will be compensated without regard

to legal status of ownership according to the Entitlement Matrix provided in this RPF (Table 2).

A market survey will be conducted to assess the prevailing market prices of land and construction materials for affected structures, crops and relevant items which will be used as the unit prices to determine compensation. This exercise will provide assurance to communities and PAP and PAH that they will be able to purchase equivalent value replacement land. Loss of income and assets will be compensated on a net basis without tax, depreciation or any other deduction.

Cut-off dates for Eligibility

A census and household survey will be conducted as soon as the urban flood risk management sub-projects have been confirmed in order to develop an inventory of project impacts on PAP and PAH and business. Care will be taken to set cut-off dates immediately after the determination of the final sub-projects are confirmed.

The household survey will be used to record all loss of assets incurred as a result of project implementation. A binding legal instrument will be used to record all loss of assets which will be signed by PAP and PAH, their neighbors, and representatives of local government. Compensation paid to each affected entity will be based on the legal instrument and a detailed methodology to calculate compensation which is articulated in the ARAP/RAP.

Relocation / Taking Possession of Site / Commencement of Civil Works

Once a binding legal agreement is signed, compensation and other assistance (replacement land, transportation allowance, etc.) must be provided in a prompt manner (within one month), and in accordance with the principles laid out in RAP. The PMU cannot take full possession of the land until the required compensation and assistance is provided and the PAP and PAH have vacated the land in accordance with the legal agreement signed. Also, civil works cannot commence on the land until the land is vacated and the PMU has taken full possession.

10.0 GRIEVANCE REDRESS MECHANISM

The PMU-MPWT DOW will establish a grievance redress committee at the village level, as well as the district and provincial level. These will be established to deal with resettlement related grievances as they arise. These committees will receive, evaluate and facilitate the resolution of PAP and PAH concerns, complaints and grievances. Grievance redress committees would be comprised of representatives of PAP and PAH, community leaders, and independent civil society organizations (Non-Profit Association and CBO) in addition to representatives from village and district levels, and PMU and PIU authorities. If the grievance relates to a dispute over the valuation of an asset to be acquired, then the PMU will acquire of an additional independent assessor to inform the decision of the relevant grievance redress committee. The grievance redress committees will function, for the benefit of PAP and PAH, during the entire life of the sub-projects, including the defects liability period.

Consultation with PAP and PAH take place early in the process of the project planning. Prior to sub-project commencement, village leaders will conduct a survey of directly affected people's land and assets. Village leaders will conduct free, prior and informed consent with affected groups, including businesses and PAP and PAH to discuss options in the case of land acquisition and land donation. The whole process will be well documented.

All complaints and grievances will be received in writing, or if given verbally then written at the same time and place, from PAP and PAH and duly recorded by each level of the grievance committee. PAP and PAH will be exempted from all administrative and legal fees incurred pursuant to the grievance redress procedures. Grievances related to any aspect of the proposed sub-projects will be dealt with through negotiations with the ultimate aim of reaching a consensus. Grievance redress procedures aim to provide a time-bound and transparent mechanism to voice and resolve social and environmental concerns linked to the sub-projects. These grievance redress procedures are not meant to circumvent the government's inbuilt redress process, nor provisions of the national laws, but rather to address PAP and PAH concerns and complaints promptly, making it readily accessible to all segments of PAP and PAH and different populations and scaled to the risks and impacts of the sub-projects.

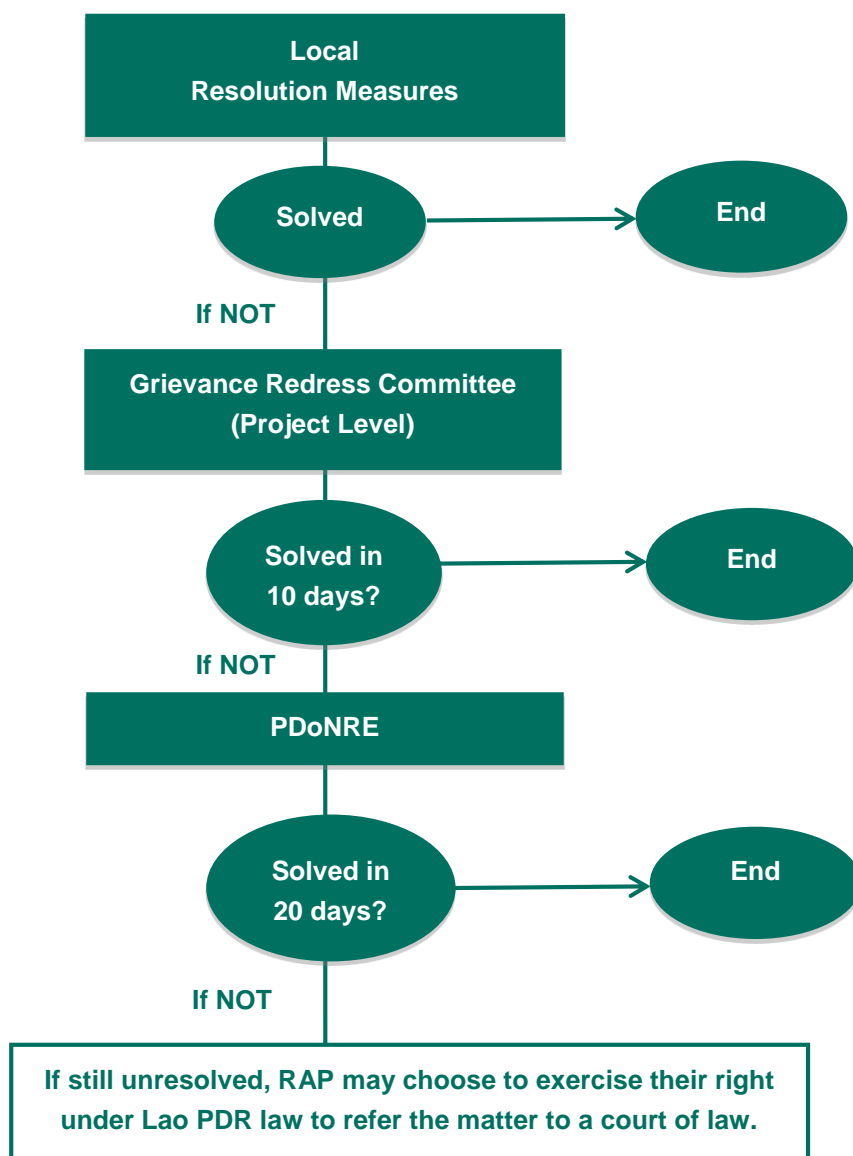
The ARAP or RAP will establish the means for PAP and PAH and displaced businesses to bring complaints to the attention of relevant project authorities. Grievance procedures should include reasonable performance standards, including time required to respond to complaints and should be provided without charge to those displaced persons. The ARAP/RAP should also state other avenues available to aggrieved persons if the project-related procedures fail to resolve complaints. Article 23 and 24 of the C&R Decree (No. 84/GOL, 2016) requires the project to establish an effective mechanism for grievance resolution. The decree requires that the sub-project proponent, Provincial Department of Public Works and Transport (DPWT) Waterway Sector in the provinces of Oudomxay, Luang Prabang and Borikhamxay, are responsible for setting up the grievance redress mechanism and to take actions to resolve issues.

The ESMF contains details on the grievance redress mechanism for the Lao PDR DRM Project. Grievances related to environmental and social issues from directly or indirectly affected ethnic groups as a result of implementation of sub-projects will be resolved by the Grievance Redress Committee (GRC) through the project grievance redress mechanism presented in Figure 1.

However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the DPTW PIU office or the national assembly, as provided by law in Lao PDR. At each level grievance details, discussions and outcomes will be documented and recorded in a grievance logbook. The status of grievances submitted and grievance redress will be reported to Provincial DPWT Waterway sector management through the monthly report. In order to effectively and quickly resolve grievances PAP and PAH may have, the following process will be applied:

- Stage 1: if PAP and PAH are not satisfied with the resettlement plan or its implementation, PAP and PAH can issue a verbal or written complaint to the Provincial or District Resettlement Committee. If it is a verbal complaint, the village should deal with this complaint and document it in a written record. The Provincial or District Resettlement Committee should resolve the complaint or grievance within two weeks;
- Stage 2: if PAP and PAH are not satisfied with the result in Step 1, PAP and PAH can file an appeal with the project resettlement office (PRO) after PAP and PAH receives the decision made in Step 1. The PRO should make a decision within two weeks;
- Stage 3: if PAP and PAH are not satisfied with the result of Step 2, PAP and PAH can file an appeal with the provincial resettlement committee at the Provincial Department of Natural Resources and Environment (PDoNRE) for administrative arbitration after receiving the decision made by the PRO. The administrative arbitration organization should make the arbitrated decision within 20 days; and
- Stage 4: if PAP and PAH are still unsatisfied with the arbitrated decision made by the administrative arbitration organization, after receiving the arbitrated decision, PAP and PAH can file a lawsuit in a civil court according to the relevant laws and regulations in Lao PDR.

Figure 1 GRM process.



PAP and PAH can make a complaint or appeal on any aspects of the sub-projects’ design and implementation, including issues related to resettlement. A complaint and grievance feedback form will be developed under the project where PAP and PAH live, for use by PAP and PAH to raise complaints or grievances. PAP and PAH will be clearly informed of the complaint and appeal channels described above through village meetings and other forms of communication. Information and Communications Technology (ICT) and media tools should be used to communicate issues and information. Opinions and suggestions on resettlement provided by concerned people and organizations should be documented and resettlement organizations, at various levels, should study and address any issue in a timely manner.

The organizations addressing the PAP and PAH complaint and appeal process shall not charge fees. Any expenses incurred due to submission of complaints and/or appeals should be classified as unexpected expenses, and paid for by the relevant PMU and PIUs.

11.0 ARRANGEMENTS FOR FUNDING RESETTLEMENT

The RAP will include detailed description of the costs for compensation and other restoration entitlements as part of the process to compensate relocated PAP and PAH. Arrangements will be made for PAP and PAH property and assets to be classified on the basis of agricultural land, residential land, business land, houses, business assets and other holdings. Detailed budgetary estimates will make adequate provision for contingencies and the ARAP/RAP will explicitly establish sources for all funds required. The ARAP/RAP will ensure that fund flows are compatible with the timetable for payment of compensation and provision of all other assistance. Financing options to cover the costs of resettlement (compensation for land, structures, livelihood restoration, etc.) are being explored, including financing by the GOL. An exemption to finance resettlement from the loan might be sought. Exact costs for resettlement are unknown at this stage of the project but will be determined in accordance with the Decree No. 84 on Compensation and Resettlement Management in Development Projects (2016) and the 2005 Technical Guidelines on Compensation and Resettlement in Development Projects and complemented by the WB OP 4.12 Involuntary Resettlement.

12.0 PARTICIPATORY CONSULTATIONS AND INFORMATION DISCLOSURE

As discussed above, PAP and PAH will participate throughout the development and implementation process of land acquisition and the land donation process. PAP and PAH will be consulted by the relevant village councils or VRS, district and provincial authorities. The PAP and PAH will be invited to participate in public meetings in the early stages of the process and will be provided with reliable information on the proposed urban flood risk management infrastructure sub-projects, its impacts and proposed mitigation measures and economic restoration activities. Information publicly disclosed will also include cut-off dates for each sub-project, eligibility criteria and entitlements, modalities of compensation, complaints and grievance redress procedures.

The PAP and PAH and different populations will be provided with opportunities to present their ideas and suggestions as inputs into the planning and implementation of the sub-projects. This will be accomplished through a series of participatory exercises and focus group discussion (FGD) with PAP and PAH, to ensure affected parties have a stake in the process.

The PAP and PAH will also benefit from a dedicated consultation process during the preparation of the relevant ARAP/RAP. This will include consultation meetings at the beginning of the ARAP/RAP preparation process to discuss the potential impacts and possible mitigation measures, and prior to the finalization of the ARAP/RAP to ensure the PAP and PAH are in agreement with the mitigation measures proposed. Throughout, ARAP/RAP implementation, monthly meetings will be held with PAP and PAH to garner their feedback on how the process can be improved. There will also be face to face meetings with individual PAPs throughout the process, as well as a meeting to finalize and sign the compensation agreement.

A Consultation meetings and Disclosure of the Project and the Safeguard documents were conducted both in Luang Prabang Province on 15-16 August 2019 and Borikhamxay Province on 20-21 August 2019 with the Project Team composed of the Department of Water-Ministry of Public Work and Transport and the support from the EDPD/PTRI. (Please see attached Minutes of Consultation Meeting for the provinces of Luang Prabang Province and Borikhamxay).

The draft ESMF, RPF and EGEF were disclosed (in English) in the MPWT website and the World Bank Website on 12 August 2019. Nevertheless, a brief and reader friendly information leaflet was prepared in Lao language and distributed to PAHs/PAPs and other concerned stakeholders in hard copy two weeks before the consultation the two project target provinces. The information leaflet provides information on the project, potential impacts, mitigation measures, safeguard policy frameworks, implementation arrangements and GRM. The final ESMF, RPF and EGEF was re-disclosed in the country (in both local language and in English) on September 16, 2019 and on the World Bank Website on September 18, 2019 before appraisal.

13.0 MONITORING AND REPORTING

Monitoring is a key component of the project implementation. As the PMU, MPWT DOW will appoint adequate full-time staff as part of the internal monitoring process. These staff will monitor the process of land acquisition or land donation in collaboration with local village or district authorities. If necessary, capacity building will likely need to be given on the monitoring process for designated GoL staff at the onset.

Internal Monitoring

Contents of the internal monitoring reports that will be issued on a monthly basis include:

- Payment and use of the funds for land acquisition compensation and restoration;
- Support to the vulnerable groups;
- Land readjustment and reallocation;
- Quality and quantity of newly reclaimed land;
- Schedule of the above activities;
- Implementation policies and rules in the resettlement plan;
- Participation and consultation of the affected people during the ARAP/RAP implementation; and
- Staffing, training, work schedule and resettlement operation at various levels.

Quarterly monitoring visits will be undertaken as per specific activities in order to:

- Improve environmental and social management practices;
- Ensure the efficiency and quality of the environmental and social assessment processes;
- Establish evidence- and performance-based environmental and social assessment for the project; and
- Provide an opportunity to report the results of safeguards instrument impacts and proposed mitigation measures' implementation.

With regard to the sub-project implementation, the PMU-MPWT DOW will conduct monitoring activities together with EDPD/PTRI during the feasibility studies and ESMP to determine the extent to which mitigation measures are successfully implemented. Monitoring will focus on three key areas: (i) compliance monitoring; (ii) impact monitoring; and (iii) cumulative impact monitoring.

External Monitoring

In conjunction with internal monitoring by MPWT DOW staff, it will be important to include procedures for external monitoring and evaluation (M&E). The external M&E function aims to provide regular monitoring and evaluation of land acquisition and land donation for the project to assess whether objectives were achieved or not. Through formal surveys, interviews with PAP and PAH, FGD and other information collection methods, the external M&E function would look at the whole process of land acquisition or land donation for PAP and PAH. The external monitoring will also provide an early alarm function for the project management department and a complaint and grievance channel for PAP and PAH. External monitoring indicators will include:

- Progress: including the preparation of the ARAP/RAP, and implementation of compensation;
- Quality: including to what extent PAP and PAH are satisfied with compensation and restoration;
- Compensation Fund: including the payment and use of the funds for land acquisition compensation;
- Affected People: including PAP and PAH socio-economic situation before and after the project and economic restoration of the affected people;
- A qualified external monitoring entity will come from an independent organization, such as a civil society organization (Non-Profit Associations [NPA], CBO), academic research institute or consultancy in Lao PDR. The major responsibilities of the external monitoring organization will include:
 - Develop the ARAP/RAP in conjunction with the internal monitoring team;
 - Observe all the aspects of the ARAP/RAP and its implementation; provide M&E reporting to the World Bank through the PRO; and
 - Provide technical consulting services to the PRO in terms of information investigation and processing.

14.0 VOLUNTARY LAND DONATION (VLD) FRAMEWORK

In accordance with community customary practices, villagers may choose to voluntarily contribute land or assets without compensation, under certain conditions. This may be justified if the sub-project provides a direct benefit to the affected people; provisions for voluntary land donations (VLDs) are included in Appendix A2 and a draft form in Appendix A3. However, most of the infrastructure projects that will be financed by the Project (e.g. riverside protection, dike, drainage canals, flood gates and the riverside park[s]) would not meet the principles for VLD as these are site-specific infrastructure.

1. **Scope of voluntary land donation.** VLD is applied for beneficiary communities with no involuntary land acquisition and based on community-driven demand. VLD will be accepted when small areas of private land and assets where the affected users of the assets and land have agreed to give their land and other assets as a voluntary contribution to the sub-project. No individual or family will lose more than **10%** of their land, or other assets worth more than **800,000 LAK**. Smallholder of residential land with area of 300 m² or less will not be allowed for VLD. Additionally, the land portion to be voluntarily donated shall be free of houses, structures or other fixed assets. The land to be donated should also be free of squatters, encroachers or any other claims from other potential owners. For this type of sub-project, the PMU should prepare a report showing that the land users have been fully informed about the sub-project, and about their right to refuse to give their land and other assets without compensation. This report will be called the **“Voluntary Land Donation Report”**.
2. **Voluntary contribution is an act of informed consent.** Sub-project staff will assure that voluntary contributions are made with the prior knowledge that other options are available including compensation in replacement values, and are obtained without coercion or duress. PAPs have the right to refuse to donate assets and receive their entitlement and compensation for their land and assets lost. They will be fully informed of their rights and access to grievance mechanisms described in this RPF. The PMU social safeguards specialist must verify the voluntary nature of the donation well in advance of civil works.
3. **Due Diligence.** The voluntary land donation due diligence will be documented in the sub-project investment’s feasibility assessment report and will incorporate at a minimum the following:
 - a) Verification and documentation that land required for the project is given voluntarily and the land to be donated is free from any dispute on ownership or any other encumbrances;
 - b) Verification that no individual household will be impoverished by the land donation (i.e., no more than 10% of total land holding donated) will require that community development groups negotiate livelihood restitution measures such as reduction in operation and maintenance

- fees or sharing of cultivable land of other beneficiary community members;
- c) Verification that land donation will not displace tenants or bonded labor, if any, from the land;
 - d) Meaningful consultation has been conducted in good faith with all potential land donors. Documented verification that land donors are in agreement with the sub-project and its benefits. Separate discussions to be held with women and community groups as required to facilitate meaningful participation; and
 - e) Assurance that a community mechanism for investment activity implementation is operational and has a fair system of grievance redress, as well as a system for project monitoring and reporting; and
 - f) Verification that the sub-project requiring the land is not site specific (dependant on the unique locational or physical characteristics of the land).
4. **Documentation.** Sub-project staff will document the voluntary land donation due diligence report in each beneficiary community that requires donation of private land. They will ensure completion of the written consent form for land donation (see sample in Appendix A3). The donation will be verified by two witnesses who are community leaders but not the direct beneficiaries of the investment activity, to ensure that the land was voluntarily donated without any form of duress. The voluntary land donation due diligence information will be verified during sub-project detailed design and updated as necessary.
 5. **Voluntary Land Donation Monitoring.** The voluntary land donation issues will be monitored by sub-project staff and the World Bank periodically review the land donation agreement forms and randomly interviewing the donors. During review missions, WB will verify that land donation due diligence has been conducted in accordance with the above procedures. The agreement form should be included in the RAP completion report as an annex with the original hard copy provided to the PAP or PAH for their reference.
 6. **Grievance Redress Mechanism.** Anticipated grievances may relate to coercion for land donation or a donation of more than 10% of private land holding, leading to impoverishment. Any complaint will go to the grievance redress committee (GRC) established for the sub-projects. Procedure for handling the complaint describe in Section 10.0.

15.0 BUDGET TO IMPLEMENT THE RPF

Implementation costs for the RPF will include land acquisition, relocation site development, compensation costs, allowances and administration costs, preparation of the RAPs, valuation of assets by a independent expert, and contingency. The total indicative cost reviewed by the World Bank and DOW is estimated at USD. (See ESMF section 9.4)

APPENDICES

Appendix A1

Resettlement Plan Formats

A1.1. Abbreviated Resettlement Action Plan (ARAP): Annotated Document Contents and Information Requirements

Introduction

- Project (one paragraph): refer to the RPF that covers the project and provides the policies and principles for the ARAP;
- Brief description of the sub-project development objectives and intended beneficiaries; and
- Describe the activities that will give rise to impacts that require “resettlement” (i.e., anything that causes loss of land, assets or elements of PAP livelihood – not only physical relocation, but also, loss of trees, temporary relocation of roadside stall (kiosk), and comprised access.

Census of PAP and Inventory of Assets

- Brief description of how the data was gathered (e.g., household survey);
- Table of PAP and PAH, contact details, affected livelihoods, assets, value of affected dwelling/structures/assets; and
- Brief comment about any significant differences, sources of vulnerability of PAP and different populations (ethnic peoples and vulnerable groups – women and female/male youth and children, the elderly and disabled, landless, and poor, etc.), or state that they are representative of the general socioeconomic profile of the country.

Compensation to be Provided

- Forms of compensation to be provided (e.g., cash or in-kind);
- Description of the conditions for voluntary donation (if applicable), including:
 - Free, prior and informed consent made of the PAP own volition and is un-coerced with the decision-making ability to withhold consent;
 - No severe impacts on living standards; no physical relocation and less than 10 % of PAP livelihood assets affected;
 - Availability of complaints and compensation procedure; and
 - Documentation and independent verification of the donation of land or assets.

Consultation with Affected Persons

- Brief description of the general public disclosure communications to announce the project and invite comment;
- Subsequent consultations with known or self-identified PAP;
 - Alternatives discussed with PAP and the community; and
 - Dissemination of information about the cut-off date for registering as PAP; availability of a complaints/grievance mechanism (details in RPF Section 10.0).

- Arrangements for formal disclosure of resettlement instrument; availability for public disclosure, review and comment, and posted on MPWT and the World Bank websites.

Institutional Responsibilities for Delivery of Compensation

- Responsible agency;
- Method of notification to PAP;
- Timing of settlement (before the incidence of the loss to be compensated);
- Method of verification, disclosure and witnessing of the settlement (i.e., annex form for recording and witnessing handover of entitlement); and
- Process for handling complaints or grievances, appeals.

Implementation Reporting and Monitoring

- Institutional responsibilities for reporting and monitoring of the ARAP;
- Independent participation in monitoring (e.g., CSOs, research institutes, etc.); and
- Summary report on consultation with the wider community (append attendance register to document).

Timetable and Budget

- Time and task matrix; and
- Source and flow of funds:
 - Consultation costs;
 - Personnel costs;
 - Office overhead expenses;
 - Compensation funds; and
 - Monitoring and reporting costs.

A1.2. Resettlement Action Plan (RAP): Annotated Document Contents and Information Requirements

Introduction

- General description of the project in relation to policies and principles which inform the RAP;
- Describe sub-project development objectives and intended beneficiaries briefly; and
- Describe the activities that will give rise to impacts that require “resettlement” and comprised access.

Scope

- Level of detail varies with the magnitude and complexity of the resettlement;
- Collect up-to-date and reliable information, including:
 - The proposed resettlement and its impacts on the displaced persons and other adversely affected groups; and
 - Legal issues involved in resettlement.
- Any issue described below which is not relevant to sub-project circumstances, should be explained.

Description of the Sub-projects

- Short detailed narrative on sub-projects and activities; and
- Identification of the sub-projects and/or activities’ project area and footprint.

Potential Impacts Identified

- Project component or activities that give rise to resettlement;
- Zone of impact and Rol of sub-projects;
- Alternatives considered to prevent (avoid) or minimize resettlement; and
- Mechanisms established to minimize resettlement, to the extent possible, during project implementation.

Main Objectives of the Resettlement Program

- Defines the purpose and objectives.

Socio-economic Studies

- Conducted in early stages of sub-project preparation and with the involvement of potentially displaced people, including:
 - The results of a census survey covering:
 - ◆ Current occupants of the affected area to establish a basis for the design of the resettlement program and to exclude

subsequent inflows of people from eligibility for compensation and resettlement assistance;

- ◆ Standard characteristics of displaced households, including a description of production systems, labor, and household organization; and baseline information on livelihoods (i.e., production levels and income derived from both formal and informal economic activities) and standards of living including health status and well-being of the PAP and PAH;
 - ◆ The magnitude of the expected loss of assets (i.e., total or partial) and the extent of displacement, physical or economic;
 - ◆ Information on vulnerable groups or persons (OP/BP 4.12, paragraph 8) for whom special provisions may have to be made; and
 - ◆ Provisions to update information on the displaced PAP and PAH livelihoods and standards of living at regular intervals so that the latest information is available at the time of their displacement.
- Other studies describing the following:
 - Land tenure and transfer systems, including an inventory of common property natural resources from which PAP derive their livelihoods and sustenance, non-titled usufruct systems (i.e., fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, and any issues raised by different tenure systems in the sub-project footprint;
 - Patterns of social interaction in the affected communities, including social networks and social support systems, and how they will be affected by the sub-projects;
 - Public consultation and social services that will be affected; and
 - Social and cultural characteristics of displaced communities, including a description of formal and informal institutions (i.e., civil society organizations including CBO, NPAs) that may be relevant to the consultation strategy and to designing and implementing the resettlement activities.

Legal Framework

- Findings of an analysis of the legal framework, covering:
 - The scope of the power of eminent domain and the nature of compensation associated with it in terms of both the valuation methodology and the timing of payment;
 - The applicable legal and administrative procedures, including a description of the remedies available to displaced persons (PAP and

PAH) in the judicial process and the normal timeframe for such procedures, and any available alternative dispute resolution mechanisms that may be relevant to resettlement under the sub-projects;

- Relevant law (including customary and traditional law) governing land tenure, valuation of assets and losses, compensation, and natural resource usage rights; customary personal law related to displacement; and environmental laws and social welfare legislation;
- Laws and regulations relating to the agencies responsible for implementing resettlement activities;
- Gaps, if any, between local laws covering eminent domain and resettlement and the World Bank's resettlement policy (OP/BP 4.12), and the mechanisms to bridge such gaps; and
- Any legal steps necessary to ensure the effective implementation of resettlement activities under the sub-projects, including (as appropriate) a process for recognizing claims to legal rights to land (i.e., claims that derive from customary law and traditional usage – see OP/BP 4.12, paragraph 15 b).

Institutional Framework

- Findings of an analysis of the institutional framework, covering:
 - Identification of agencies responsible for resettlement activities and CSOs that may have a role in project implementation;
 - Assessment of the institutional capacity of such agencies and CSOs; and
 - Any steps that are proposed to enhance the institutional capacity of agencies and CSOs responsible for resettlement implementation.

Eligibility

- Definition of displaced persons (PAP and PAH) and criteria for determining their eligibility for compensation and other resettlement assistance, including relevant cut-off dates.

Valuation of Land

- Methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

Resettlement Measures

- Description of the packages of compensation and other resettlement measures that will assist each category of eligible displaced persons (PAP

and PAH) to achieve the objectives of the policy (see OP/BP 4.12, paragraph 6). In addition to being technically and economically feasible, the resettlement packages should be compatible with the cultural preferences of the displaced persons, and prepared in consultation with them.

Site Selection, Site Preparation, and Relocation

- Alternative relocation sites considered and explanation of those selected, covering:
 - Institutional and technical arrangements for identifying and preparing relocation sites, whether urban or rural, for which a combination of productive potential, locational advantages, and other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resources;
 - Any measures necessary to prevent land speculation and influx of ineligible persons at the selected sites;
 - Procedures for physical relocation under the sub-projects; including timetables for site preparation and transfer; and
 - Legal arrangements for regularizing tenure and transferring titles to resettlers.

Housing, Infrastructure, and Social Services

- Plans to provide (or, to finance PAH provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services, etc.); plans to ensure comparable services to host populations; any necessary site development, engineering, and architectural designs for these facilities.

Environmental Protection and Management

- Description of the boundaries of the relocation area; and an assessment of the environmental impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the ESMP of the main investment requiring the resettlement).

Community Participation

- Description of the strategy for consultation with and participation of PAH and hosts in the design and implementation of the resettlement activities;
- Summary of the views expressed and how these views were taken into account in preparing the resettlement plan;
- Review of the resettlement alternatives presented and the choices made by displaced persons regarding options available to them, including choices related to forms of compensation and resettlement assistance, to relocating as individual families or as parts of pre-existing communities or kinship

groups, to sustaining existing patterns of group organization, and to retaining access to cultural property (e.g., places of worship, pilgrimage centers, cemeteries); and

- Institutionalized arrangements by which displaced people (PAP) can communicate their concerns to project authorities throughout planning and implementation, and measures to ensure that such different populations (ethnic peoples and vulnerable groups – women and female/male youth and children, the elderly and disabled, landless, and poor, etc.), are adequately represented.

A1.3. Integration with Host Populations

- Consultations with host communities and local governments;
- Arrangements for prompt tendering of any payment due the hosts for land or other assets provided to PAH;
- Arrangements for addressing any conflict that may arise between PAH and host communities; and
- Any measures necessary to augment services (e.g., education, water, health and productive services) in host communities to make them at least comparable to services available to PAH (i.e., resettlers).

Grievance Procedures

- Affordable and accessible procedures for third-party settlement and disputes arising from resettlement; such grievance mechanisms should take into account the availability of judicial recourse and community and traditional dispute settlement mechanisms.

Organizational Responsibilities

- Organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures and provision of services;
- Arrangements to ensure appropriate coordination between agencies and jurisdiction(s) involved in implementation; and
- Measures (including technical assistance) needed to strengthen the implementing agencies' capacity to design and carry out resettlement activities; provisions for the transfer to local authorities or PAH (resettlers) themselves of responsibility for managing facilities and services provided under the project and for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

Implementation Schedule

- Schedule covering all settlement activities from preparation through implementation, including target dates for the achievement of expected benefits to PAH (resettlers) and hosts and terminating the various forms of assistance. The schedule should indicate how the resettlement activities are linked to the implementation of the overall project.

Costs and Budget

- Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, and other contingencies; timetables for expenditures; sources of funds; and arrangements for timely flow of funds; and funding for resettlement, if any, in areas outside the jurisdiction of the implementing agencies.

Monitoring and Evaluation

- Arrangements for monitoring and evaluation activities by the implementing agency, supplemented by independent monitors as considered appropriate by the World Bank, to ensure complete and objective information;
- Performance monitoring indicators to measure inputs, outputs, and outcomes for resettlement activities;
- Involvement of the displaced persons (PAP and PAH) in the monitoring process; and
- Evaluation of the impact of resettlement for a reasonable period after all resettlement and related development activities have been completed using results of resettlement monitoring to guide subsequent implementation.

Appendix A2
Land Donation Protocols

A2, The process will include the following:

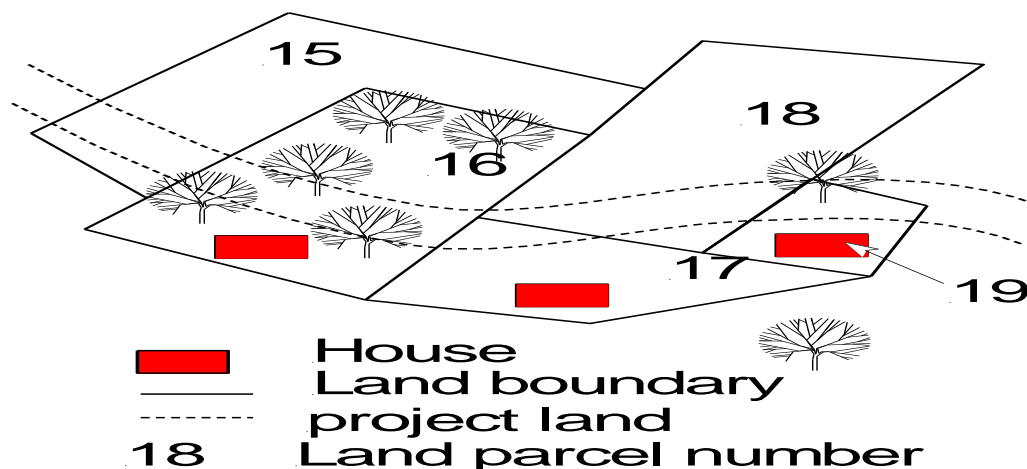
1. Official information and initial assessment. Determining the appropriateness of VLD in the circumstances of the project. Activities that will require VLD as a result of the screening process and the land study specifically the Voluntary Land Contribution Report sub-project staff will inform the village head and villagers or land owners through official notification on where the activities will be implemented that will require VLD. Record and document the reasons why donation of land is appropriate for the project. The PMU will take into consideration the following details for such documentation:
 - What the land will be used for;
 - How much land the project will require on both a permanent and temporary basis;
 - How much of the land will be donated;
 - What alternatives to donation exist (e.g., right of use, right of way);
 - The terms of the donation;
 - The identities of the parties who intend to donate;
 - The beneficiary of the donation; and
 - Any details that are relevant to why donation may be appropriate.

Preparation of land survey map and schedule of land acquisition

2. After collected the information related to land and assets which will be affected by sub-project implementation, the responsible official, with assistance from the related persons, will prepare a land survey map and a schedule of land acquisition.

The land survey map shows each parcel of land that will be affected, and each parcel of land should be given a code (a letter or number).

Figure A2.1 Example of land survey map.



3. Verification of voluntary donations. The following conditions will be confirmed by the Committee including the Village Chief.
 - a) Confirmation that affected people agree to donate land or asset, based on a face to face meeting;
 - b) No one would lose more than 10% of the total productive assets;
 - c) The total land holding of the affected person should be 200 m² or more; and
 - d) No physical relocation necessary.
4. Initial Village Consultation. Under the village head leadership, a consultation process will be launched to invite different interest parties, including land owners to discuss and ratify the appropriateness of the voluntary basis of land donation.
5. Transferring and formalizing the land. Process for land donation includes very clear procedures that explain the process that should be followed to transfer the land, and appropriate ways to formalize the respective transfer. The process includes consideration of the legal and administrative requirements based on the legal framework of Lao PDR. The process will describe a clear and transparent decision-making process.
6. Verification process (surveys) to identify land ownership and use. Village Chief and Technical Assistant will ensure that the land study will include specific surveys to understand the type of land rights that exist in the sub-project area, and to identify any particular issues relating to land ownership and use. The specific surveys must be conducted on each parcel of land proposed for donation to identify:
 - a) The owner or owners of the land;
 - b) The users of the land, or any parties that occupy the land (either physically or through ownership of an asset or conduct of livelihood or business activities on the land);
 - c) Any competing claims of ownership or use;
 - d) Structures and assets on the land; and
 - e) Any encumbrances on the land.
7. It is important to: (i) identify the right that is being transferred (an ownership right, a use right, a right of way, etc.); and (ii) check whether the transferee actually has the right s/he claims to have. In many circumstances where careful due diligence has not been carried out, significant conflict has arisen at a later stage when another party claims that they have the same or a competing right. In some circumstances – but not all – the transferee will have documentary evidence of such right. Where no such evidence exists, the due diligence can establish rights by speaking with local community officials and neighbours.

8. Public consultations and disclosure. The decision to donate must be taken on the basis of a full understanding of the sub-projects and the consequences of agreeing to donate the land. Accordingly, the parties that will be affected by the donation (the owners and users of the land) must be provided with accurate and accessible information regarding what the land will be used for, for how long, and the impact the donation will have on them and their families. It is important that prior written notification indicating the location and amount of land that is sought be provided and that its intended use for the sub-project is disclosed.
9. Where the intention is to deprive the parties affected by the donation of the land permanently, or for a significant length of time, this must be made clear. It should be noted that in many communities the concept of alienation of land is uncommon and difficult to understand, and care needs to be taken to ensure that the implications of this are fully understood. It is also important to decide who else should be consulted about the proposed donation; for example, spouses and older children.
10. There should be a clear agreement as to which party will pay the costs associated with the donated land. This could include measurement costs, documentation and notarial fees, transfer taxes, registration fees. It should also include the costs of re-measuring/re-titling the transferee's remaining land and any new documentation relating to it.

Establishing informed consent

1. The Village Chief, in coordination with sub-project staff, verifies the informed consent or power of choice by the people who would donate land or an asset. In particular, the following will be verified and documented in the voluntary donation report:
 - a) What the land is going to be used for, by whom and for how long;
 - b) That they will be deprived of the ownership or right to use the land, and what this really means;
 - c) That they have a right to refuse to donate the land;
 - d) Whether there are alternatives to using this land;
 - e) What they will need to do to donate the land (e.g., execute documents, get spousal consents, pay taxes);
 - f) The effect of the donation on their family, and what they can do if they (or their family or heirs) want the land back; and
 - g) All conditions provided in the paragraph 2 above.
2. The right to refuse must be a legitimate right, unconditional, and the potential transferee must be capable of exercising it in the local community and political context. For this reason, it is important to be sure that the decision to donate is undertaken without coercion, manipulation, or any form of pressure on the part of public or traditional authorities. For collective or communal land,

donation must be based upon the informed consent of all individuals using or occupying the land.

3. Proper documentation. During the VLD process for sub-project investments, it is important to distinguish between: (a) the agreement to donate the land; and (b) the document that carries out and evidences the legal transfer of the land. While it is important to have evidence of an intention and agreement to donate the land, it is equally important to ensure, where required and appropriate, that the land is legally transferred. While the process relating to the legal transfer of the land is frequently complicated and time consuming, it must be addressed. [In specific circumstances, for example where the land is being transferred to the community, it may not be necessary to legally transfer the land. However, experience indicates that lack of formal transfer can create significant uncertainty in the future, which impacts on the sustainability of the infrastructure and services, and can have a negative effect on community relations.] (Appendix A3)
4. Village Chief and sub-project staff should:
 - a) Identify the appropriate documentation, including the agreement to make the transfer and any legal documentation that may be required;
 - b) Ensure that the agreement:
 - Refers to the consultation has taken place;
 - Sets out the terms of the transfer;
 - Confirms that the decision to transfer was freely made, and was not subject to coercion, manipulation, or any form of pressure;
 - Attaches an accurate map of the land being transferred (boundaries, coordinates);
 - Sets out who will bear the costs of the transfer (e.g., notarial fees, taxes, title issues) and documenting the residual land rights;
 - c) Ensure that all necessary parties sign the documents, including obtaining consent from spouses and children over a certain age;
 - d) Ensure that the transfer and title is registered or recorded; and
 - e) Ensure that the land remaining after the donated land is excised is properly titled, registered or recorded.
5. It is also important to maintain a record of the process that has been followed. Such documents could include the following:
 - a) The notification indicating the location and amount of land that is sought and its intended use for the project, with a record of when and where this was made public;
 - b) Records of the consultations that were held and what was discussed;

- c) A copy of the due diligence that was conducted;
- d) Copies of each of the formal statements of donation, establishing informed consent as described above, and signed by each owner or user involved;
- e) Copies of all documents, registrations or records evidencing the legal transfer of the land; and
- f) A map, showing each parcel of land.

The Project Management Unit should maintain a record with documentation for each parcel of land donated. Such documentation must be available for World Bank review, and for review in relation to any grievances that may arise.

Grievance redress arrangements.

The sub-project specifies means by which donors (and, potentially, persons whose use or occupancy was not recognized in the transfer of land) may raise grievances, and measures to ensure consideration of, and timely response to, grievances raised. The grievance process includes participation of reviewers not directly affiliated with the project implementing agency. The grievance process imposes no cost upon those raising grievances, and participation in the grievance process does not preclude pursuit of legal remedies under the laws of the country.

Appendix A3

Voluntary Land Donation Form

A3. Voluntary Land Donation Form

| | |
|--------------------|--|
| Province / Region: | |
| District: | |
| Village: | |
| Sub-project ID: | |

| | | | | |
|--|----------------|------------------------------------|--|--------------------------|
| Name of land owner: | ID Number: | Beneficiary of the project: Y/N | | |
| Sex: | Age: | Occupation: | | |
| Address: | | | | |
| Description of land that will be taken for the project: | Area affected: | Total landholding area: | Ratio of land affected to total land held: | Map code, if available : |
| Description of annual crops growing on the land now and project impact: | | | | |
| | Details | Number | | |
| Trees that will be destroyed | | | | |
| Fruit trees | | | | |
| Trees used for other economic or household purposes | | | | |
| Mature forest trees | | | | |
| Other | | | | |
| Describe any other assets that will be lost or must be moved to implement the project: | | | | |
| Value of donated assets: | | | | |

1. By signing or providing thumb-print on this form, the land user or owner agrees to contribute assets to the sub-project. The contribution is voluntary. If the land user or owner does not want to contribute his/ her assets to the project, he or she should refuse to sign or provide thumb print, and ask for compensation instead.

Date:

Date:

District PMO representative's signature

Affected persons' signature
(for PAH, signatures of both
husband and wife are required)

Appendix A4

Summary of Minutes of Consultation Meetings in the Provinces of Luang Prabang and Borikhamxay



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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Ministry of Public Work and transport
13555/LPB.PDPT

No.

Provincial Department of Public and Transport Luangphabang date 16/08/2019

Minutes of Consultation Meetings and Disclosure

On the Safeguard Documents for the Lao PDR Disaster Risk Management Project:
Additional Financing

Luang Prabang Province, August 15-16, 2019

1. Project Background:

The South East Asia Disaster Risk Management Project for Lao PDR (Lao-DRM or the Project) is being implemented with financing from the World Bank (WB) with an aim to reduce the risk of flooding and enhance disaster risk financing capacity of Lao PDR. The Project was approved on July 6, 2017 and became effective on 11 October, 2017, with a commitment amount of US\$30 million. The Project Development Objective (PDO) is to reduce the impacts of flooding in Muang Xay of Oudomxay (ODX) Province and enhance capacity of the Government of Lao PDR (GoL) to provide hydro-meteorological services and disaster response.

In 2018, Lao PDR experienced widespread floods, which significantly impacted its people and economy. To help reduce the financing gap and augment the response efforts, additional financing (AF) of about \$25 million is being proposed for Component 1 to implement similar activities in 2 additional provinces i.e. Luang Prabang (LPB) and Borikhamxay (BKX).

2. Objective of Consultation:

The Department of Environment Research and Disaster Prevention of the Institute of Public Works and Transport together with the Department of Waterways (DOW) (The Project team) conducted a public consultation and disclosure on the Environment and Social Management Framework (ESMF), Resettlement Planning Framework (RPF) and the Ethnic Groups Engagement Framework (EGEF) for the Disaster Risk Management Project for Lao PDR: Additional Financing (LDRM AF Project) was held at the Luang Prabang Provincial Department of Public Works and Transport on August 15-16, 2019.

The presentation aimed to inform the participants thru consultation meetings, individual interviews during transect-walks on the objectives and application of the ESMF under the Lao PDR Disaster Risk Management Project Additional Financing. It is the purpose of the ESMF to provide overall guidelines and procedures that

would be applied in order to minimize, if unavoidable, adverse environmental and social impacts of LDRM AF Project supported subprojects and activities. It also ensures that environmental and social issues are duly evaluated in decision-making, planning, implementation and monitoring and evaluation. The framework is also to reduce and manage possible risks arising from the project and provides a mechanism for consultation and disclosure of information among various stakeholders.

It was also emphasized that the legal framework of Lao PDR and the World Bank constitutes the safeguard policies of the LDRM AF Project being implemented by the Ministry of Public Works and Transport (MPWT).

The Project team explained that the objectives of the LDRM AF Project ESMF are: (a) to discuss and review with various stakeholders adequate guidance for effectively addressing social safeguard design and implementation of LDRM AF Project subprojects; (b) for LDRM AF Project to adopt a community-participatory approach in developing and implementing subprojects by encouraging participation among target communities and affected persons; (c) to improve appraisal and safeguard compliance for the duration of the project; and (d) to protect and support indigenous/ethnic groups or vulnerable groups; minimize displacement of people; and ensure compensation of affected persons where involuntary resettlement is unavoidable.

In addition, the Project team also presented the Ethnic Groups Engagement Framework (EGEF) and the Resettlement Policy Framework (RPF) under the LDRM AF Project.

During the 1st day of the consultation, a total of 22 project staff, departments and relevance offices involved with five women attended. The 2nd day, total of 33 participants and 14 women in the villages in the project areas.

3. Topics and Discussions:

- Presentation of the Project Objectives and goals of the LDRM Project: AF
- Presentation of the Environmental and Social Management Framework (ESMF) and budgetary requirement
- Presentation of the Resettlement and Policy framework (RPF)
 - + The team conducted initial survey of the affected people for the proposed project
 - + Develop a resettlement map and compensation with budget
 - Set unit price
 - Generate replacement data for each family
 - Procedures and methods of compensation
 - Proposal and resolution of complaints
 - Establishment of committees in the village, district, provincial, and central
- Presentation of the Ethnic Group Engagement Framework (EGEF)
- Discussion on the Compensation, relocation and livelihood restoration based on the EMSF for the LDRM AF Project for affected households and vulnerable groups

- Discussed possible occupation or job opportunities in the community during project implementation
- Discussed the extent of information acquired by the participants regarding the objective of the project prior to the consultation meetings and its source of information
- Discussed the Lao Women's Union involvement and participation on similar projects. If yes, their role and responsibilities during project implementation Discussed positive and negative environmental and social impact of the proposed project and concerns and issues of the stakeholders and affected households
- Discussed issues and concerns of the ethnic group and proposed mitigating measures

4. Results of the Discussion During the consultation Meetings

- The representative from the Department of Natural Resources and Environment (DONRE) informed the Project team that the housing structures along the river were issued land titles within 15 meters from the river but the management of the lands along the river are under the management of the district thru collection of land taxes. However, these lands only have land use certificates. In the past, the province was given notice to utilize the riverbank for any infrastructure investments however, the provincial government has no budget for any compensation or relocation for affected households or persons.
- The participants also informed the Project team that most of the ethnic groups living or residing along the river banks of the proposed project are mainly the lower Lao.
- The representative of the Provincial Tourism Office recommended to the Project team that a summary of the impacts among the affected people be presented and evaluated to include minutes of the meeting or signed agreement with the land owner or affected persons to avoid conflict in the future or during implementation. The village leaders should be witness for any meetings or agreements
- The participants supports the proposed construction of erosion protection on Khan river along the Mekong river for the safety and comfortability of local communities and tourists to explore and appreciate the view of the Mekong river.
- The representative from Heritage Management Office highlighted the requirement for an heritage impact assessment or study for projects located within the coverage Heritage Management Area in order to avoid any negative impacts on the area, this includes an Environmental impact assessment of the proposed project. It was also advised to appoint a coordinating committee at each level to facilitate collaboration for every phase of the project
- Some of the participants raised their concern the negative impact on people's existing livelihood along the river banks during actual construction and will have an affect on their daily income.
- The Project team informed the participants, particularly the representative from the Lao Women's Union who raised the issue on proper and reasonable

compensation to affected persons that all compensation will be based on current market price

- The Provincial Lao women's union also explained the importance of community participation in the project from planning, implementation and monitoring in order to ensure transparency and ownership
- Representative from some of the participants raised the issue and concern during construction in Khelue village with regards to the delivery of construction materials into the construction site because some delivery trucks or heavy equipment are not allowed to access the small roads; and construction at night is not allowed because of possible disturbance or noise, which might also have accidents if safety is not required. The Project team informed the participants that Environmental Health and Safety measures are included in the contracts for any civil works as indicated in the ESMF and also inclusion of the Code of Conduct (COC) on Sexual Exploitation and Abuse (SEA)-Gender-based Violence (GBV) or Violence Against Women and Girls (VAWG) on ALL contracts.

5. Information Gathered during the Interviews and Discussion with communities with the target villages

- **Representative from Amphay village** agree and supports the project because no negative impact among the community, however, suggested that design should consider the possible impact on the environment and must have a strict rules during construction management.
- **Representative of Muen Na Village** Supports and agree on the proposed construction for an erosion protection on the river bank from Ah Phay to MurnNa villages (old bridge) similar to the completed river protection in Phanluang village which is opposite the MurnNa village.
- **Representative of Phanluang village** and Support agree with other proposed villages, but would like to propose a project demarcation plan to be prepared since it is along the river bank . Also proposed an additional construction of erosion control in the area in front of Wat Phon Sa Aat temple to the estuary of Houay Kang since there were occurrence of erosion in the past.
- **Representative of Xiengthong village** Supports the project however , proposed to construct from the river banks down Wat Xieng Thong (along the Mekong river) because many erosion cases in the area.
- **Representative of Wat Luang** :Villagers agree and supports the project with the construction of the floodgate.
- **Representation of Wat Luang village** :Villagers agree and support the Project ,however proposed for an additional construction of erosion river bank in the estuary of Huayhope. In the past, many cases of erosion at the zone of Wat Phabaat area particularly in the houses of the villagers down to the river.

6. Comments of participants from the Women's Union in the villages involved in the project

- The Lao Women's Union of Luang Prabang capital was unaware of the disaster risk management project, however, with the consultation meeting and disclosure of the Project, they expressed their support and willingness to participate and involve during project implementation.
- The LWU raised also the main problem in the Luang Prabang town is the dumping of waste and urban wastewater and the flood problems every year
- The LWU appreciate that the government plan for the construction of river bank protection, water pollution control, and improvement of the river view which would serve as a trading point for people living along the banks of the Khan River and the Mekong River.

7. Next Steps and Suggestions

- To conduct data collection of river banks land to support the additional project.
- Village leaders and participants to continue with the dissemination of the project to their respective villages and community
- Disclosure of the Safeguard Documents at the World Bank website and MPWT website
- Translation of the Safeguard documents into the Lao language
- Distribution of the Safeguard Documents (English and Lao version) to the stakeholders in the Province
- Involvement of Lao Front for National Development (LFND) and Lao Women's Union during project implementation of LDRM AF Project

Attachment A: Signed Attendance Sheet or Registration Form

Attachment B: Photos



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

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Ministry of Public Work and Transport
Provincial Department of Public and Transport

Minutes of Consultation Meetings and Disclosure

On the Safeguard Documents for the Lao PDR Disaster Risk Management Project:
Additional Financing
Borikhamxay Province , August 20-21, 2019

1. Project Background:

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The presentation aimed to inform the participants thru consultation meetings, individual interviews during transect-walks on the objectives and application of the ESMF under the Lao PDR Disaster Risk Management Project Additional Financing. It is the purpose of the ESMF to provide overall guidelines and procedures that

would be applied in order to minimize, if unavoidable, adverse environmental and social impacts of LDRM AF Project supported subprojects and activities. It also ensures that environmental and social issues are duly evaluated in decision-making, planning, implementation and monitoring and evaluation. The framework is also to reduce and manage possible risks arising from the project and provides a mechanism for consultation and disclosure of information among various stakeholders.

It was also emphasized that the legal framework of Lao PDR and the World Bank constitutes the safeguard policies of the LDRM AF Project being implemented by the Ministry of Public Works and Transport (MPWT).

The Project team explained that the objectives of the LDRM AF Project ESMF are: (a) to discuss and review with various stakeholders adequate guidance for effectively addressing social safeguard design and implementation of LDRM AF Project subprojects; (b) for LDRM AF Project to adopt a community-participatory approach in developing and implementing subprojects by encouraging participation among target communities and affected persons; (c) to improve appraisal and safeguard compliance for the duration of the project; and (d) to protect and support indigenous/ethnic groups or vulnerable groups; minimize displacement of people; and ensure compensation of affected persons where involuntary resettlement is unavoidable.

In addition, the Project team also presented the Ethnic Groups Engagement Framework (EGEF) and the Resettlement Policy Framework (RPF) under the LDRM AF Project.

A total of 44 participants and women 10 project staff, departments and relevance offices involved with five women attended. Day 2a total of 25 participants and 16 women in the villages in the project area.

3. Topics and Discussion:

- Presentation of the Project Objectives and goals of the LDRM Project: AF
- Presentation of the Environmental and Social Management Framework (ESMF) and budgetary requirement
- Presentation of the Resettlement and Policy framework (RPF)
 - + The team conducted initial survey of the affected people for the proposed project
 - + Develop a resettlement map and compensation with budget
 - Set unit price
 - Generate replacement data for each family
 - Procedures and methods of compensation
 - Proposal and resolution of complaints
 - Establishment of committees in the village, district, provincial, and central
- Presentation of the Ethnic Group Engagement Framework (EGEF)
- Discussion on the Compensation, relocation and livelihood restoration based on the EMSF for the LDRM AF Project for affected households and vulnerable groups
- Discussed possible occupation or job opportunities in the community during project implementation

- Discussed the extent of information acquired by the participants regarding the objective of the project prior to the consultation meetings and its source of information
- Discussed the Lao Women's Union involvement and participation on similar projects. If yes, their role and responsibilities during project implementation
Discussed positive and negative environmental and social impact of the proposed project and concerns and issues of the stakeholders and affected households
- Discussed issues and concerns of the ethnic group and proposed mitigating measures

4. Results of Discussions during the consultation meetings

- The representative of the Lao Women's Union from Paksan district expressed their support for the Project due to its positive impact to the target village and community in order to prevent flooding
- According to most of the participants, the proposed floodgate will have a long-term benefit to prevent damages to their properties and lands.
- Some of the representatives raised also concerns about the previous projects implemented in their province because there were no grievance set-up or established and communities were not aware of the previous projects
- The participants requested that the Project should provide more details on the establishment and membership of a Resettlement or Compensation committee and Grievance Committee from the government institutions involved in the relocation and compensation work, wherein the community may also be involved and participate during implementation and monitoring and assist in the resolution for any issues and concerns that may be encountered the project.
- The Provincial Lao Women's Union who were involved in the ADB's project and member of the Project's Provincial Steering Committee commented that the project should immerse deeper in the grassroots in order to gather a more realistic information on the status of the relocation or other compensations required by the Project
- The women participants also requested that the Project should provide alternative livelihood or other job opportunities to women in case they will be affected by the project implementation
- Representatives from the Paksan Urban Development office requested a budget for allowance or cost for expenditure for the staff involved in the implementation of the Project, particularly for those involved in the resolution of possible grievances from the community.
- The participants were informed that compensation for relocation, acquisition of land and other assets will be based on current market value and any no construction will be done in the protected area
- The Chief of the district office in Pakxan agreed and supported that protection of the riverbank require budget for its construction and renovation

- Some of the participants suggested that the Project must also consider construction of a relief center or temporary relocation during flooding or any disaster in the province
- The Project team highlighted the process of engaging potential project affected people (PAP) comprised of, among others, ethnic groups, and the process of free, prior and informed consent (FPIC), in development and implementation of sub-projects
- All the participants raised their hands expressing support to the proposed LDRM AF Project because it would benefit their Province and communities always affected by flooding. The participants are now fully aware that the Project has safeguard documents that would protect the community from possible negative environmental and social impacts that may cause by the project implementation and a grievance mechanism will be established from village level upto the National level.

4.1. Information Gathered during the Interviews and Discussion with communities with the target villages

- The participants from the villages were not aware of the LDRM- AF Project of the World Bank but appreciated that the team conducted the consultation meeting before any implementation or construction.
- Most of the interviewed members of the communities agreed for a 100% protection of from flooding by rehabilitation or construction of floodgates in Pakpeung village
- The flooding in most of the areas took about two months for the water to subside. Many productive lands, crops and even livestock are always affected that caused damages to the communities
- The interview also learned that all existing floodgates and its surroundings are most public-owned land. Based on the observation of some of the individual interviewed, the existing floodgates are small and no system to close and open the gates. These existing gates needs improvement or rehabilitation and only three gates are inadequate to block water and three additional gates are required in Houay Nam Melook, Houay Nam song Melook and Houay NangNy.
- **Based on the randome interviews and transect walks done by the Project team, the following were observed:**
 - **Representative of Phonsi village:** This village is located on the banks of the Mekong River. It is a small village that always been affected by flooding during heavy rains. The Namsan flooding has affected to the Houay Nei River which had affected 150 families in 2018.
 - **Pakxanh Nuea Village:** Although, this village is not affected by flooding, the provincial government has instruction thru a signing of agreement with the villagers that huts (house) and shops are not allowed to be constructed near the riverbanks
 - Observed that some villagers have fish cages along the Mekong river

- **Nonsa at village:** Suggested that a system must be set-up by the government for opening and closing of the gates during heavy rains.

4.2 .Comments of participants from the Women's Union in the villages involved in the project

- Proposed to conduct vocational training on livestock and agriculture for flood-affected people
- Suggested that representative from Lao Women's Union participate and involve in the monitoring and assist in the resolution of any grievance from the villagers.

5. Next Steps and Suggestions

- To conduct data collection of river banks land to support the additional project.
- Village leaders and participants to continue with the dissemination of the project to their respective villages and community
- Disclosure of the Safeguard Documents at the World Bank website and MPWT website
- Translation of the Safeguard documents into the Lao language
- Distribution of the Safeguard Documents (English and Lao version) to the stakeholders in the Province
- Involvement of Lao Front for National Development (LFND) and Lao Women's Union during project implementation of LDRM AF Project

Attachment A: Signed Attendance Sheet or Registration Form

Attachment B: Photos