

**VIET NAM: SUSTAINABLE AGRICULTURE
TRANSFORMATION PROJECT**

**RESETTLEMENT POLICY
FRAMEWORK**

Month year 2014

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Definition of key terms

Census and Inventory: If the sub-project needs to change the land use or to acquire land for project purposes, a Census of people that will be affected and an Inventory of affected assets will be undertaken based on the technical design of the sub-project. The Census will include key socioeconomic information of the project affected persons (PAPs), such as main occupations, sources of income, and levels of income in order to be able to determine vulnerable households as well as to establish baseline data for monitoring livelihood restoration of the PAPs. The Inventory will include a detailed description of all affected lands, trees, structures, to be acquired permanently or temporarily in order to complete the sub-Project; the names of the persons entitled to compensation (from the census); and the estimated full replacement costs, etc. Preliminary Census and Inventory information could be part of the Resettlement Policy Framework (RPF), depending on the sub-project and the information available.

Compensation (in cash or in kind) for loss of assets and rehabilitation measures to restore and improve incomes will be determined in consultation with project affected people (PAP). Compensation for loss of assets will be at replacement costs.

Replacement Cost. A concept (OP 4.12, footnote 11) is used to calculate the compensation amount for an asset and involves using current market value plus the transaction costs, which may include taxes, fees, transportation, labour, etc. The market value is determined by the PMU confirmed by local authorities in consultation with the PAP. The methods of estimation of prevailing market value should evolve over time to achieve good practice¹.

Livelihood (income) restoration. Livelihoods restoration refers to that compensation for PAP who suffer loss of income sources or means of livelihoods to restore their income and living standards to the pre- displacement levels.

Vulnerable Groups and Individuals at risk: Those who might suffer disproportionately from adverse project impacts and/or be less able to access the project benefits and compensation including livelihood restoration and assets compensations, when compared to the rest of PAP. Vulnerable peoples include people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status, may be more heavily affected by economic or physical displacement than others and who may be more limited than the population at large in their ability to claim or take advantage of resettlement assistance and related development benefits. Vulnerable people can be an entire group (like an ethnic minority community), or individual households (HHs).

Eligibility is the criteria to receive benefits under the resettlement program. The RPF will provide general guidance on this but this should not be definitively confirmed until the development of the RAP.

¹ PMUs and Local authorities should use an independent appraiser commissioned by the project to assess assets value.

I. INTRODUCTION

1.1. Description of the Project

Over the last 2 decades, Vietnam's agricultural sector has made enormous progress, realizing major gains in productivity and output and contributing to national goals related to food security, poverty reduction, social stability, and trade. Although its contribution to GDP has decreased from 31% to 17%, the agriculture section remains the main sources for livelihoods of two thirds of Vietnam population and of over 90% of poor people. Agriculture provides a socially stabilizing role in the face of volatile macroeconomic conditions and has provided the country with a secure, affordable, and increasingly diversified source of food, generating employment for a segment of unemployed urban laborers and contributing to mitigation of trade deficit.

However, the agricultural sector growth has begun to slow down in recent years and unsustainable elements for growth have emerged. The agricultural sector now faces growing domestic competition – from cities, industry, and services – for labour, land and water. Rising labour costs are beginning to inhibit the sector's ability to compete internationally as a low cost producer of bulk undifferentiated commodities. The consequences of over-intensive input and natural resource use – both for the environment and for farmer profitability – are being increasingly recognized. To overcome these challenges, Vietnam's agriculture will need to generate more economic value and farmer and consumer welfare using less natural, human, and other resources. And, it will need to increasingly compete on the bases of reliable supply, predictable quality, assured food safety and value addition.

Vietnam needs to change not only in the growth model for agriculture, but also in the structural patterns of production and supply chain organization, which are currently loosely organized and lack of synergy between farmers and other actors in the value chain. Change is also needed in the model of 'state management' in the sector – in the technical and regulatory services provided by the state, in public investments and expenditures in the sector, and in the policies applied to foster farmer and agribusiness investment. A demand-driven economy needs flexibility. These changes are becoming increasingly urgent in the context of changing market demand and opportunities, as well as market-oriented development needs. These changes will create a transformation for the agriculture, a sector of significant importance to transforming the country economy given its current position, resources and competitive advantages.

The Agricultural Restructuring Plan was approved by Prime Minister under the Decision no.899/QD-TTg dated 10 June, 2013. Translating this vision into widespread application is one of the sector's major challenges in the upcoming years. Although country and sector which have many multi-year plans, including 'with a vision to 2030', policy and program-making tends to be reactive, addressing the last rather than the future challenges. There are many goals, yet often without a clear roadmap for realization of such goals. To drive agricultural change, the government has begun numerous initiatives, yet with little synergy among them or connections between these and the commercial banking sector. With different pressures, opportunities, and current 'starting points', Vietnam's varied agricultural regions and sub-sectors are expected to progress on a transformative path at different paces.

The VnSAT Project to be funded by the World Bank is formulated on the basis of the objective and contents of the Agricultural Restructuring Plan (ARP) approved by the Government. In particular, the VnSAT Project will assist Ministry of Agriculture and Rural Development in implementing a significant segment of the ARP.

Project Development Objective: to contribute to the deployment and implementation of the ARP by providing capacity building and organizational development to the sector and re-organizing production to increase value addition and sustainability of rice and coffee sub-sectors in two key commodity production zones of Vietnam such as Mekong delta and Central Highlands regions.

Specific objectives of the Project:

- Capacity building and organizational development provided to MARD and project provinces for restructuring of the agriculture sector;
- Incomes increased by 20% for some 200,000 rice – cultivating farmer households in the Mekong delta region through introduction of sustainable farming practices and vertical coordination with enterprises and cooperatives;
- Competitiveness of rice trading enterprises in Mekong delta region strengthened via provision of medium – and long – term credits for upgrading high quality rice processing assembly lines and facilities;
- Incomes increased by 15 to 20% for around 50,000 farmer households in the Central Highlands region via coffee rejuvenation and introduction of sustainable farming practices;
- Negative impacts to environment reduced thanks to a declined use of irrigation water, fertilizers and pesticides in the course of rice and coffee cultivation.

The project would support around 30 leading rice-producing districts (accounting for over 50% of rice produced in the region) in eight provinces in the Mekong Delta namely Kien Giang, An Giang, Hau Giang, Tien Giang, Long An, Dong Thap, Can Tho and Soc Trang, and 8 – 12 leading coffee-producing districts in five provinces in the Central Highlands including Lam Dong, Dak Lak, Dak Nong, Gia Lai and Kon Tum.

The VnSAT project comprises of 4 Components:

Component A: Institutional Strengthening to Support Agricultural Transformation

The objective of this component is to provide capacity building (CB) and organizational development (OD) to MARD, selected provincial DARDs, other public sector agencies and value chain actors (including banks).

Component B: Supporting Sustainable Rice-Based Systems: The objective of the component is to increase rice farmer's income, reduce negative environmental impacts from rice intensified farming, and enhance the competitiveness of the rice sector. This component would support sustainable rice-based systems in the MKD through: (a) implementing a large-scale extension program on improved agronomic practices including training, demonstration

sites for changing behavior and farming practices of farmers², capacity – building for farmer organizations, support to establishing contractual arrangements with processing enterprises, improved quality of rice and brand development, encouragement of rotation crops to diversity production and raise incomes for farmer organizations and their members ; (ii) supporting and leveraging private sector investments in upgrading rice processing technology and facilities for reducing post – harvest losses and improving quality and grade of processed rice; and (iii) improving public services delivery to support farmer adoption of improved agronomic practices and to monitor their application, to measure and evaluate the green house gas emission reduction and economic efficiency.

Component C: Supporting Sustainable Coffee Production and Rejuvenation:

The objective of this component is to increase coffee farmer’s incomes and reduce negative environmental impacts of intensive coffee production via adoption of sustainable farming practices. The Project will provide support for: (i) implementing a large-scale extension program to promote farmers’ adoption of improved, more sustainable agronomic and management practices; (ii) improving most critical business services by non-state business institutions in support of farmers’ coffee plantation rejuvenation; (iii) enhancing quality and delivery of public service delivery to create an enabling environment for the farmers’ adoption; and (iv) providing credits for coffee growers to rejuvenate coffee gardens planned for rejuvenation.

Component D: Project Management, Monitoring and Evaluation

This Component would provide necessary training, equipment, facilities, and operating costs for the performance of monitoring and evaluation, financial management, procurement, long – term and short – term technical assistance for project management; developing an M&E system for the project in line with the AMT established by Ministry of Planning and Investment. Independently technical audits will be conducted annually to assess the adoption of the 3R3G and 1M5R based on the criteria developed for the project.

The total fund for the project is expected at around 348 million USD, equivalent to 7,482 billion VND (the exchange rate temporarily calculated at 1 USD = 21,500 VND) in which non – credit fund is 245 million VND (accounting for 70%) and credit fund is 103 million USD (accounting for 30%).

Although the project components do not cause impacts at large scale, it is likely that land acquisition will take place. The land acquisition mainly takes place in Components 1 and 2 under this project.

1.2. Objective of the Resettlement Policy Framework.

The purpose of this Resettlement Policy Framework (RPF) is to establish resettlement principles, organizational arrangements, funding mechanisms, and design criteria to be applied to preparation of subprojects in the course of the project implementation (OP 4.12, paragraphs 26-28). Subproject Resettlement Action Plans (RAP) consistent with the RPF will be prepared and submitted to the World Bank for approval before the subproject is accepted for Bank financing (OP 4.12, paragraph 29).

² The ‘3 Reductions and 3 Gains’ package (3R3G), which aims at reducing seed, fertilizer, and pesticide, thereby increasing productivity, quality, and profitability) followed by the ‘1 Must 5 Reductions’ package (1M5R), which requires the use of certified seed and adds new requirements of reducing water and postharvest losses.

The scope and level of detail of the resettlement plan vary with the magnitude and complexity of resettlement. According to World Bank rule, the resettlement plan may be divided into: abbreviated resettlement plan; Abbreviated resettlement plan (livelihood restoration section added); and resettlement plan (full).

An abbreviated resettlement plan includes the following minimum elements: (1) population census and assets evaluation of displaced persons, (2) description of compensation and other resettlement assistance to be provided; (3) consultations with displaced persons about acceptable alternatives (4) arrangements for monitoring and implementation, and (5) a timetable and budget. An abbreviated resettlement plan (inclusive of livelihood improvement) will be developed when there are minor impacts and dislocation is required. This plan also includes a socio-economic survey and income restoration measures.

A full resettlement plan will include: (1) description of the project, (2) potential impacts of the project; (3) objectives, (4) socio-economic studies; (5) legal framework, (6) institutional framework; (7) eligibility; (8) valuation and compensation for losses; (9) resettlement measures; (10) site selection, site preparation and relocation (11) housing, infrastructure, and social services; (12) environmental protection and management; (13) participation and consultation; (14) integration with host populations; (15) grievance procedures, (16) organizational responsibilities, (17) implementation schedule; (18) costs and budget; and (19) monitoring and evaluation.

II. INSTITUTIONAL AND LEGAL FRAMEWORK

2.1. Vietnam legislation.

Vietnam legal documents governing the performance of land acquisition, compensation and resettlement include:

- Constitution of the Socialist Republic of Vietnam of 2013.
- Land Law of 2013 (No. 45/2013/QH13) enacted on 10/12/2013.
- Decree no. 43/2014/ND-CP dated 15 May, 2014 by the Government specifying the implementation of a number of articles of the Land law no. 45/2013/QH13. (Replacing Decree no. 181/2004/ND-CP dated 29/10/2004; Decree no. 17/2006/ND-CP dated 27/01/2006; Decree no. 84/2007/ND-CP dated 25/05/2007; Decree no. 69/2009/ND-CP dated 13/08/2009; and Decree no. 88/2009/ND-CP dated 19/10/2009).
- Decree no. 44/2014/ND-CP dated 15 May, 2014 by the Government providing for land price (which replaces Decree no. 188/2004/ND-CP dated 16/11/2004 and Decree no. 123/2007/ND-CP dated 27/07/2007).
- Decree no. 45/2014/ND-CP dated 15 May, 2014 by the Government providing for collection of land use fees;
- Decree no. 46/2014/ND-CP dated 15 May, 2014 by the Government providing for collection of fees for land and water surface (which replaces Decree no. 142/2005/ND-CP dated 14/11/2005 and Decree no. 121/2010/ND-CP dated 30/12/2010).
- Decree no. 47/2014/ND-CP dated 15 May, 2014 by the Government providing for compensation, assistance and resettlement when land is acquired by the State (which replaces Decree no.197/2004/ND-CP dated 3/12/2004).

- Circular no. 37/2014/TT-BTNMT dated 30/06/2014 by Ministry of Natural Resources and Environment providing detail regulations on compensation, assistance and resettlement when land is acquired by the State.
- Circular no. 57/2010/TT-BTC dated 16/4/2010 by Ministry of Finance providing for budgeting, using and liquidating funds for implementation of compensation, assistance and resettlement when land is acquired by the State.
- Ordinance no. 34/2007/PL-UBTVQH11 by National Assembly enacted on 20/4/2007 with regard to exercise of democracy in communes, wards and townships, and contents that need to be publicly disclosed including “investment projects and works, and priority order, implementation schedules, schemes on compensation and assistance to site clearance and resettlement related to projects and works in the commune level localities”
- Decision no. 52/2012/QD-TTg by Prime Minister on 16/11/2012 with regard to policies on support to employment and vocational training for laborers whose agricultural lands were acquired.
- Decisions issued by PPCs of project provinces/cities providing for regulations on compensation, assistance and resettlement when land is acquired by the State.

2.2. Bank’s policy on Involuntary Resettlement (OP/BP 4.12).

The overall objectives of the Bank’s policy in the OP4.12 are:

- Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs;
- Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits. Displaced persons, whether directly or indirectly affected, should be meaningfully consulted and should have opportunities to participate in planning and implementing resettlement programs.
- Displaced 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.

Measures necessary to ensure that resettlement is performed with positive results include:

- Consulting those persons affected by a potential project on feasible resettlement and restoration measures;
- Providing the project affected persons with options for resettlement and restoration;
- Allowing them to participate in planning and selecting the options;
- Providing compensation rates at full replacement cost for the losses;
- Selecting areas of resettlement so that benefits and services are provided, at the minimum levels, the same levels as in the locations they used to reside;

- Providing allowances, training and income – generating support to facilitate the displacement;
- Identifying vulnerable groups and providing special assistance to these groups;
- Establishing institutional and organizational structures to support this process until it is successfully completed.

2.3. Differences between the World Bank’s and Vietnam’s policies

There is a substantial consistence between Vietnam legislation and the WB’s resettlement policies, especially aspects related to entitlements of those with legal/eligible criteria. Current legislation provides for guidance on (i) determining market price/replacement cost, and compensation payment and assistance for various types of affected assets; (ii) land for land options and compensation, assistance in cash; (iii) providing relocation assistance and assistance provided to affected households during transitional period; (iv) provision of land and house for resettlement with assured ownership; (v) additional support to severely affected and vulnerable households; (vi) support to income restoration and training; and (vii) information announcement/disclosure, consultation and grievance redress mechanism. The differences between WB’s policies and Vietnam legislation including measures for addressing such differences are presented in the below table. In case Vietnam legislation is not consistent with WB’s requirements in OP 4.12, then the OP 4.12 will prevail and applicable in all cases. This was clearly indicated in Article 2, provision 87 of Land law and Decree no. 38/2013/ND-CP (Article 6, provision 7).

Table 1: Comparison of World Bank’s Policies and Vietnam’s legislation related to compensation, assistance and resettlement is as follows:

<i>Subjects</i>	Bank’s OP 4.12	Government of Vietnam	Project Measures
<i>Policy objectives</i>	People whose residential or economic conditions are affected as a result of the project (shortly called affected persons) should be assisted to restore or improved their living standards to the pre-project levels	Not specifically referred to the objectives as mentioned in the (WB) policy yet some provisions move forward to achieving them. Article 25 of Decree no.47 allows PPC to consider providing further assistance so that affected persons have dwelling places, settling down their lives and production. Article 86.4 of Land law and Article 27 of Decree 47 enables that in case compensation/assistance money is not sufficient to buy a minimum land lot or flat, an affected person may be financially supported to do so.	Livelihood and income sources must be restored to pre-project levels or better.

<p><i>Treatment of informal or not legal land users</i></p>	<p>Those persons under this category 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 project area prior to a cut-off date established by the Borrower and acceptable to the Bank. Persons who encroach on the area after the cut – off date are not entitled to compensation or any other form of resettlement assistance.</p>	<p>For agricultural land that was being used before 1 July, 2004 by a household and/or an individual directly involved in agricultural production to whom a land use certificate was not granted or who do not satisfy conditions to be granted a land use certificate, an ownership certificate of house and other land- based assets according to provisions in this law, that household/person is entitled for compensation for land area actually being used, and land area subject to compensation must not exceed the land allocation limit set forth in Article 129 of this Law.</p> <p>For residential land, if households or individuals must be relocated due to the land taking of the State, and in case they are not eligible for compensation and have no dwelling place, they will be sold or leased house by the State or allocated residential land the use of which must be paid (Article 79, Land law and Article 5, Decree 47).</p>	<p>Rehabilitation assistance to all land users in the project area prior to the cut – off date established by the Borrower and acceptable to the Bank, regardless of their legal status or land use rights.</p>
<p><i>Compensation/ assistance for works on the land the affected persons have no legal land use rights</i></p>	<p>Compensation at replacement cost for all structures regardless of their legal status</p>	<p>No compensation</p>	<p>For the works built before the cut – off date, assistance at replacement cost will be provided regardless of their legal status</p>
<p><i>Methods for determining compensation rates</i></p>	<p>Compensation for lost land and other assets should be paid at full replacement cost</p>	<p>Compensation for lost assets is calculated at price close to transferring the assets in the market. Provincial governments are to set up the price for different categories of assets. Independent land valuation may be used to determine the land price. This land price will be appraised before submitting to PPC for making decision.</p>	<p>Independent appraiser identifies market price as a reference for provincial governments to define compensation price. This price is appraised and approved by PPC to ensure that the compensation is at full replacement cost.</p>

<i>Compensation for income loss</i>	All income losses should be compensated (no matter whether the affected persons must be displaced or not)	Income loss is assisted only for registered business. Assistance measures for restoring income sources will be provided.	All income losses are to be compensated and when necessary to achieve the policy objective, development assistance will also be provided besides compensation.
<i>Compensation for indirect impact caused by land or structures taking</i>	It is good practice for the borrower to undertake a social assessment and implement measures to minimize and mitigate adverse economic and social impacts, particularly upon poor and vulnerable groups	It is not addressed.	Social assessment undertaken and measures taken to minimize and mitigate adverse impacts, particularly upon poor and vulnerable groups
<i>Livelihood restoration and assistance</i>	Provision of livelihood restoration and assistance to achieve the policy objectives	Livelihood restoration and assistance measures are provided; no follow-up measures are taken for full livelihood restoration after resettlement completion.	Provision of livelihood restoration and assistance to achieve the policy objectives. These aspects will be elaborated in Resettlement plan.
<i>Consultation and disclosure</i>	Participation in planning and implementation specially confirming the eligibility criteria for compensation and assistance and access to Grievances Mechanisms	Consultations are mainly undertaken during the planning process (consultation on drafting a plan for compensation, assistance and resettlement and plans for training, vocational training and seeking new employments); information – sharing and disclosure.	Consultation and information disclosure activities are included in designing a Resettlement plan along with information – sharing with other affected and stakeholders.
<i>Grievance redress mechanism</i>	Grievance redress mechanism should be independent	The same body makes decision on compensation, resettlement and handles grievance complaints at the first step. The complaint lodgers, however, can bring the issue to a court at any stage they want to.	Grievance and Redress system needs to be strengthened in a way that is more efficient with supervision from an independent monitoring unit.

<i>Monitoring & Evaluation</i>	Internal and independent monitoring are required	Citizens have the right to supervise and report about violations in land use and management as individuals (or through a representative organization) including issues related to land acquisition, compensation, assistance and resettlement (Article 199, Land law). There are no explicit requirements on supervision of resettlement activities for both internal and independent monitoring.	Both internal (monthly) and external (semi-annually) monitoring are needed. Project completion report will include assessment to confirm whether objectives of OP 4.12 are met.
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III. PRINCIPLES AND ELIGIBILITY CRITERIA

3.1 Principles in undertaking resettlement:

To harmonize the differences between WB’s safeguard policies and relevant regulations of the Government of Vietnam as described in the table above, the principles in resettlement policy for the project are presented as follows:

- (i) To avoid or minimise involuntary resettlement and impacts on land, structures and other fixed assets whenever possible by seeking for designing options;
- (ii) Compensation and assistance will be based on the principle of paying at replacement costs at the time of implementation. The compensation rates will be determined based on the results of independent land/assets appraisal in a timely and consultative fashion.
- (iii) Households are considered “severely affected” if they lose 20% or more of their productive lands and/or productive assets, or over 10% for those under vulnerable groups. The severely affected households will be assisted for livelihood restoration.
- (iv) Affected persons with no documentation of or legal rights to the land are still compensated for assets on the land at replacement cost.
- (v) Land will be compensated “land for land”, or in cash, according to PAP’s choice whenever possible. The choice of *land for land* must be offered to those losing 20% or more of their productive land. If land is not available, the Borrower must assure itself, that this is indeed the case.
- (vi) PAP who prefers “land for land” will be provided with land plots with the equivalent productive capacity for lost lands or a combination of land (a standard land plot) in a new residential area nearby for residential land, and cash adjustment for difference between their lost land and the land plots provided. The resettlement area will be planned properly and implemented in consultation with the PAP. All basic infrastructures, such as paved roads, sidewalks, drainage, water supply, and electricity and telephone lines, will be provided.
- (vii) PAP who prefers “cash for land” will be compensated in cash at the full replacement cost. These PAPs will be assisted in rehabilitating their livelihoods and making their own arrangements for relocation.

- (viii) Meaningful consultation will be undertaken with affected persons and relevant groups, assuring that they will be allowed to participate from planning to implementation. Comments and proposals of affected persons and communities will be taken into consideration.
- (ix) Resettlement plans will be publicly disclosed to affected persons before they are submitted to the World Bank.
- (x) The identification, planning and management of resettlement will ensure that gender issues are taken into account. Monitoring and evaluation of social impacts, gender sensitiveness and cultural appropriateness will be performed at all stages of the project.
- (xi) Special measures are taken into consideration in resettlement plans for vulnerable groups, who have the high risk of falling into poverty conditions, such as the landless, women – led households, elderly or disabled people or poor households.
- (xii) Cultural and religious heritages will be sustained and preserved at the maximum level
- (xiii) Transitional periods of resettlement will be minimized. Affected persons will be restored before initiating the construction of the project.
- (xiv) Budget for compensation, assistance and resettlement will be sufficiently planned for during the project implementation.
- (xv) Independent monitoring and reporting will be clearly identified as a part of the resettlement management system. Land – taking stages and results will be independently evaluated. By the end of the project cycle, if it fails to prove that livelihoods of affected persons have been restored to pre- project levels, additional measures need to be considered.
- (xvi) Project management units will not permit contractors to deploy their work until they confirm in writing (i) full payments have been made to affected persons and rehabilitation measures undertaken; (ii) compensation and assistance provided to affected persons properly; (iii) there are no obstructions in the project area. Compensation and rehabilitation assistance must be provided to each PAP at least 30 days prior to the taking of the assets for those who are not to be relocated and 60 days for those who will have to be relocated. Exceptions should be made in the case of vulnerable groups who may need more time.
- (xvii) Cut – off date mean the date of completion of detail measurement survey (DMS) of land and assets affected by the project.

In addition to assistance mentioned above, the projects may, depending on actual situations, consider providing other forms of assistance to assure the stability of lives, culture, production and standards of living of affected persons. Entitlement matrix along with associated policies will be presented in resettlement plans which are prepared for individual sub – projects.

3.2. Eligibility criteria

The main objective of the Resettlement Policy Framework is to assure that all affected persons are fully compensated for losses of assets and sufficiently provided with opportunities to improve or at least to restore their levels of incomes or standards of living. For VnSAT project, affected persons may be arranged into following categories: (a) people granted with land use certificates or being applied for land use certificates; (b) people who are eligible for being granted land use certificates; and (c) people who have no legal rights or are unable to legalize the land they are using.

People covered under (a) and (b) are provided compensation for the land they lose, and other assistance. 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 project area prior to a cut-off date.

3.3. Voluntary contribution of land

Land voluntary contribution may be permitted for some projects that reach out to communities or are driven by communities. Beneficiaries under this project may choose to voluntarily contribute the affected land to construction of the project. However, this exercise is not encouraged. Project implementation units must assure the following criteria to be met:

- (i) The voluntary contributors are directly benefited from sub – projects;
- (ii) Proposed infrastructures do not have site – specific requirements;
- (iii) There is no displacement or considerable impacts on incomes and standards of living; the project impacts are minor or involve no more than 10% of certain land area;
- (iv) Boundaries of donated land will be determined by affected persons;
- (v) Donated land is neither encroached land nor land being disputed over ownership;
- (vi) Confirmation on donated land needs to be provided and land transactions need to be accompanied by legally valid documents;
- (vii) Affected persons have the right to refuse (not to donate land) and consultation needs to be undertaken in a transparent manner;
- (viii) Complaint - lodging mechanism is provided.
- (ix) Affected persons are recommended for compensation for parts (of land) affected.

In case there are other assets on the donated land such as trees, crops, fences or parts of structures (graves, bricks, water tank, walls...etc) and affected persons voluntarily contribute (no compensation is required), then such donation must be confirmed for each case in a similar manner as that in land donation. However, affected households are entitled for compensation of affected assets and structures on the donated land as regulated by law if they only wish to donate land and refuse to donate such assets and structures.

Land donation activities will be subject to inspection and supervision of Ministry of Agriculture and Rural Development, Project Management Unit, World Bank and independent

supervision consultant. Violations, if detected, will be addressed according to retroactive procedures in OP 4.12. Instructions on land donation procedures for sub-projects under the project components will be included in the Project Implementation Manual.

IV. PREPARATION AND APPROVAL OF A RESETTLEMENT PLAN

Resettlement plans under the project will be prepared by PPMU and submitted to PMU under MARD and WB for review and approval (key contents of a resettlement plan are specifically described in the Annex). Resettlement plans will be implemented in accordance with provisions and in a sequence as defined in the Resettlement Policy Framework.

- The resettlement plan shall be updated upon completion of detail design and performance of detail measurement survey. This plan will provide updated and precise data in connection to impact scope, affected households and impact magnitude, as well as updates on compensation costs.
- The resettlement plan shall be reviewed to accommodate any changes on market rates for replacement cost, and be revisited by the time of performing compensation. If compensation rate is low, adjustment is made taking into account the latest market rates. Moreover, in the course of updating resettlement plan, income – restoring programme will be prepared. Affected persons must be consulted prior to updating the resettlement plan.
- Detail plan for implementation of (resettlement) activities will be included in the Resettlement plan annually. Implementation schedule shall be developed in connection to implementation progress of construction activities.
- Payment for rehabilitation and provision of assistance/restoration (in cash or in kind) and resettlement (if any), shall be completed before civil works contracts are awarded.

The resettlement plan will be submitted to the World Bank for review no later than 6 months before the expected commencement date for civil works under the project. Land acquisition will only start to take place when World Bank issues a letter granting no – objection to the resettlement plan. The resettlement plan will be consulted with communities and disclosed (Vietnamese version in the project areas and VDIC) as required by World Bank policy. A summary of the resettlement plan will be prepared and disseminated to affected persons for reference.

The implementation of the resettlement plan needs to be completed before land is taken for construction. Activities need to be completed prior to construction typically include: (i) detail survey and socio-economic assessment of affected households; (ii) compensation for affected assets; (iii) determining resettlement areas and agricultural land (if needed) accepted by affected persons; (iv) construction of resettlement areas including provision of public services structures and basic agriculture infrastructures; (v) provision of resettlement areas to affected persons; (vi) provision of employments if it is a component of the resettlement package; (vii) provision of training, capital, seeds, credits and other agreed – upon entitlements if the resettlement package consists of support to self – employment; and (viii) paying compensation cash for livelihood improvement if affected persons choose “cash option”.

V. INFORMATION DISSEMINATION, CONSULTATIONS, PARTICIPATION AND GRIEVANCE REDRESS MECHANISM

5.1. Information dissemination, consultations and participation.

Local governments, related organizations, affected households/persons and local communities will take part in various stages of planning and implementation of resettlement plans.

Affected households/persons will be fully informed about the provisions in this Policy Framework and Resettlement plan during community meetings conducted by local governments and project management unit. Each affected person will be adequately informed and consulted on their rights and their options for restoration of livelihoods. Where necessary, consultations in ethnic minority language may be conducted to ensure informed decision – making of ethnic minority households.

Annual resettlements plan will be disclosed (Vietnamese version in the project areas and VDIC) as required by World Bank policy.

5.2. Attention to be paid in the course of establishing a large scale field model.

Large scale field model is established on a voluntary basis which is demonstrated via memorandum of understanding of the stakeholders (including the organizations, agencies, institutes, universities, centers for research and application of scientific and technological advancements; enterprises, organizations, cooperatives, cooperative groups). Negotiation process should be put under the chairmanship of the Department of Agriculture and Rural Development. All processes must be fully documented.

Farmers participate in the model in a voluntary basis. This is a requirement when implementing the model. To achieve this, the project implementing agencies coordinate with local governments to hold meetings with the community to: (i) to disseminate information about the project and the project activities; (ii) discuss with the community about possible impacts (positive and negative); (iii) the rights and obligations when participating in the model; (iv) note down and explain people's queries. Farmers who participate in the model are entitled to involve in the preparation, construction and operation of the model. They also have access to information about the operation of models in accordance with current regulations.

5.3. Grievance Redress Mechanism

Affected persons have the right to lodge complaint on issues related to their rights and duties of project implementation. The rights and duties include (but are not limited to) compensation entitlement, compensation policy and rates, land acquisition, resettlement and others in connection to rehabilitation assistance programme. Complaints could also be related to safety in construction, and nuisances caused by construction activities. Grievance procedures should be reasonable and be possible to refer to a third party for resolution of disputes arising from resettlement; such grievance mechanism may take into account of existing legal process and traditional dispute resolution of the community. All complaints will be recorded, noted and handled by competent authorities at all levels.

Local organizations such as Fatherland Front, Farmers Association, and Women Union ...etc will be mobilized to actively participate in complaint and queries resolution process. Affected persons may lodge their complaints (no administrative fees involved) to responsible units under People's Committees of districts and communes/wards. Project implementation units must assure that they have assigned staff members to be responsible for work and maintain the whole reporting system. Whenever possible, interpreters are arranged in case affected persons have difficulties in communication in Vietnamese. According to the above mentioned arrangement, grievance procedures will be:

- **Step 1.** Person who does not satisfy with any aspect in economic restoration and resettlement programme may report orally and in writing to CPC and CPC is responsible to address the complaint within 15 days through checking, verification and forwarding of the complaint to higher authorities.
- **Step 2.** After the deadline, if no agreement or no resolution is reached between affected persons and CPC or there is no response from the CPC, affected persons may lodge their complaints to DPC and DPC will make decision within 30 days after receiving the complaints.
- **Step 3.** After the deadline, if no agreement or no resolution is reached between affected persons and DPC or there is no response from the DPC, affected persons may lodge their complaints to responsible units under PPC and DPC will make decision within 30 days after receiving the complaints.
- **Step 4.** If affected persons do not satisfy with the decision made at provincial level, they may bring the case to a court at district level for resolution.

Affected persons will be exempt from administrative and legal fees. Moreover, an escrow account for resettlement payments should be used when grievance is resolving to avoid excessive delay of the project while ensuring compensation payment after the grievance has been resolved. All queries, suggestions and grievances and their resolution should be recorded and forwarded to the borrower and its functioning monitored monthly. All the cost of GRM establishing and functioning should be included in the project cost.

The above grievance redress mechanism will be disclosed and discussed with affected households to ensure that they understand the procedures. PPMU, Compensation, Assistance and Resettlement Council at district level are responsible for monitoring the grievance of affected households.

VI. INSTITUTIONAL ARRANGEMENT

6.1. Central level

Ministry of Agriculture and Rural Development (MARD) delegates responsibility of project owner to a Project Coordination Unit (PCU) under the Agricultural Projects Management Board (APMB) and Director of PCU is assigned to make decision. PCU consists of experienced staff of APMB and technical staff. Project implementation consultant will support PCU in the course of implementation of the Resettlement Plan.

Project Coordination Unit (PCU) will:

- (i) Perform overall management and coordination for the project. Overall responsibility

of planning, obtaining necessary approval and implementing resettlement policy framework rests with the PCU.

- (ii) Coordinate efforts of project implementing units for implementation of the project components.
- (iii) Cooperate with WB to provide consulting services on resettlement for sub-projects; PCU shall ensure that information about implementation of resettlement policy framework and subsequent resettlement plans are attached in regular progress reports of the project submitted to World Bank
- (iv) PCU shall assign staff (full time or part time) to guide and supervise the implementation of resettlement policy framework and resettlement plans of project provinces;
- (v) Assist PPMUs in preparing and updating resettlement plans of sub- projects;
- (vi) Consolidate reports on progress of land acquisition prepared by PPMUs and submit them to relevant ministries and sectors and World Bank; and
- (vii) Select and supervise the performance of an external organization (or consultant) to exercise independent monitoring of resettlement implementation.

6.2. At provincial level

Provincial People's Committee (PPC) is responsible to approve resettlement plans and to perform decision – making and approval process in relation to the implementation of sub-project resettlement plans, including decisions and approval decision issued in connection to procedures and rates of compensation, notices and approval decision issued for information dissemination, land acquisition and compensation payment, and substitute land allocation (if applicable) and grievance resolution. PPC is also responsible to establish an appraisal council, and to assign duties to organizations at district level.

Provincial People's Committee

- (i) Provide instructions to assure that information about the project and compensation, assistance and resettlement polices is publicly disclosed, and the implementation of land – taking activities is performed as required;
- (ii) Delegate responsibilities to relevant organizations and People's Committees of districts (DPC) to develop plans for compensation, assistance and resettlement;
- (iii) Approve and assign DPCs to approve compensation and resettlement plans
- (iv) Direct relevant organizations to resolve grievance and complaints of permanent residents in connection to compensation and resettlement within their resolution mandates in the localities;
- (v) Directly inspect and handle violations in compensation, assistance and resettlement activities.

Provincial Project Management (PPMU)

PPMU will supervise all activities of compensation and resettlement councils of the districts with regard to implementation of resettlement plans. PPMU is also responsible:

- (i) Each PPMU is responsible to implement this policy framework and resettlement plan(s). PPMU will provide guidance to compensation, assistance and resettlement councils of districts to prepare an inventory of losses, to prepare and implement plans for compensation and resettlement.
- (ii) PPMUs shall assign staff members (working full time or part time depending on work requirements) and these staff members will be in charge of all social safeguard aspects within the VnSAT project.
- (iii) The responsibility to ensure sufficient and satisfactory allocation of funds for compensation and for fulfilling requirements including unexpected arrangements will rest with PPMUs
- (iv) Take a leading role in working with relevant agencies at all levels, particularly Provincial Department of Natural Resources and Environment who is to appraise the overall resettlement plan and recommend to PPC for approval of resettlement plans and compensation rates (with assistance from land valuation council on current market rates, if needed) and to check and appraise compensation options, to ensure timely and efficient implementation of resettlement plans;
- (v) Resolve issues and cooperation among agencies that relevant agencies cannot resolve;
- (vi) Prepare and submit progress reports on implementation of resettlement plans to PCU.

6.3. At district level

Within their mandates, People's Committee of District (DPC) will establish a compensation, assistance and resettlement council (DRC) to perform the compensation, site clearance in accordance with approved resettlement plan(s).

People's Committee of District

- (i) Establish a compensation, assistance and resettlement council at district level which is headed by DPC Chairman or Vice Chairman
- (ii) Ensure the socialization of information about the Project, and the project policies on compensation, assistance and resettlement are implemented as required;
- (iii) Provide guidance to DPC on compensation, assistance and resettlement as well as coordination with other relevant units in implementation of resettlement plan(s).
- (iv) Coordinate with relevant and project implementing units in project implementation
- (v) Resolve grievance and complaints of permanent residents in connection to compensation and resettlement within their resolution mandates in the localities;
- (vi) Cooperate with other relevant units in implementation of land acquisition and resettlement activities.

Compensation, assistance and resettlement Council

- (i) Ensure that communal staff and affected persons are fully informed about the contents in this policy framework, and associated rights and activities in resettlement plan(s)
- (ii) Confirm the census of affected persons and inventory of losses of land, structures and other assets;
- (iii) Identify severely affected and vulnerable households; make plans and implement rehabilitation measures for these households;
- (iv) Assist in determining residential areas and new agricultural land for affected households who cannot stay in current locations
- (v) Perform timely and adequate compensation and assistance payments to affected persons against financial receipts from PPMU in conformity with the purposes and requirements of resettlement plan.
- (vi) Assist affected persons, along with their own efforts, in restoring levels of incomes and standards of living.
- (vii) Assist in resolving grievance of affected households
- (viii) Facilitate the performance of the unit selected to carry out independent monitoring.

6.4. At communal level

- (i) Organize consultation meetings with communities and publicly disclose information about the Project as well as the Project policies on compensation, assistance and resettlement for affected persons and communities
- (ii) Cooperate with the Council of compensation, assistance and resettlement to carry out the census of affected persons and impacts in terms of (losses of) land and other assets;
- (iii) Coordinate with PPMU and Council of compensation, assistance and resettlement to implement resettlement plans at selected sites;
- (iv) Resolve grievance and complaints of permanent residents in connection to compensation and resettlement within their resolution mandates in the localities.

VII. MONITORING AND EVALUATION

The project will establish internal and independent monitoring and evaluation mechanism. The main purpose of monitoring and evaluation is to assure that the performance of compensation, assistance and resettlement is undertaken in accordance with policies and procedures in resettlement plans. Independent monitoring and evaluation will particularly focus on social impacts on affected households, and whether affected households can restore standards of living to pre-project levels or better.

Internal and independent monitoring will be performed from preparation to implementation of resettlement plans. Complaints received will be handled in accordance with grievance redress mechanism established for the project. Objectives of monitoring and evaluation programme are: (i) to ensure that standards of living of affected persons are restored or improved; (ii) supervision on whether duration required for resettlement is fulfilled or not; (iii) evaluation on compensation, rehabilitation and social development assistance measures are adequate; (iv) identification of existing or potential issues; and (v) identification of measures for mitigating such issues.

7.1. Internal monitoring

PPMU will conduct internal monitoring of the implementation of resettlement plans to identify as soon as possible the achievements and cause(s) of problems met so as to adjust the implementation of the resettlement plans. Information will be collected on a monthly basis at sites to assess the progress of implementation of resettlement plans, and will be consolidated on a quarterly basis. Expected internal monitoring:

- (i) Confirm baseline information of all affected households and confirm that the assessment on losses or damages of assets were made, compensation in cash, resettlement and other rehabilitation entitlements were performed in accordance with the provisions in this policy framework and corresponding resettlement plans
- (i) Supervise that the implementation of resettlement plans was carried out as designed and approved;
- (ii) Confirm that funds for implementation of resettlement plans were provided in timely manner and with adequate amounts for set objectives, and these sources of fund were used according to provisions in the resettlement plans.
- (iii) Record all grievances and resolutions, and to ensure grievances were resolved properly and in timely manner.

PCU will incorporate the implementation of resettlement plans in progress reports to be submitted to WB.

7.2. External monitoring

Overall objective of external monitoring is to give an independent assessment on monitoring information of the Borrower by conducting regular review and evaluation of obtainment of resettlement objectives, changes in standards of living and livelihoods, restoration of social and economic establishments of affected persons, effectiveness, impacts and sustainability of

entitlements, needs for mitigation measures, if any, and strategic lessons learnt for policy formulation and planning in the future.

PCU will engage an external agency or institute to act as external monitoring organization which has sufficient experience and capacity to perform objective monitoring and evaluate the implementation of sub-project resettlement plans in provinces. The following indicators will be supervised by external monitoring organization right after resettlement plans are approved:

- i. Compensation will be paid as follows: (a) full payment will have been made to affected persons before land is taken; payment at full replacement cost; and (b) Compensation payment for affected structures at replacement costs for construction materials, labour inputs based on unique features and standards of construction , without any depreciation of the structure and without deduction for salvageable materials.
- ii. Coordinate resettlement activities with construction progress: land taking and resettlement activities for any component will have been completed before a civil works contract under that component is awarded.
- iii. Provide technical assistance to affected households who are building houses in their remaining land or building houses in new locations arranged by the project or in newly allocated land.
- iv. Provide assistance for restoring incomes according to rehabilitation programme
- v. Community consultation and awareness on compensation policy: (a) all affected households must be fully informed and consulted on compensation, assistance and resettlement activities; (b) monitoring group must attend at least 1 community consultation a month to supervise the community consultation procedures, issues arising during the consultation and recommended solutions; (c) Community awareness on compensation, assistance and resettlement policies will be assessed for all affected households; (d) assessment on perceptions of affected households to different options in the resettlement plans.
- vi. Restoration of production activities of affected persons will be supervised
- vii. Satisfaction levels of affected households to various aspects of resettlement plans will be supervised and recorded. Grievance redress activities and grievance resolution level achieved will be monitored.
- viii. During the implementation, standards of living of affected households will be supervised and inspected. All issues in respect of livelihood restoration will be reported.

External monitoring organization will submit reports twice a year to PCU and World Bank. The external monitoring organization will carry out a post – project assessment within a period of 6 – 12 months after the completion of compensation and resettlement activities.

VIII. BUDGET AND FINANCE

Resettlement budgets are prepared for all categories of resettlement, including compensation costs, allowances, operational expenses, detail measurement survey (DMS), monitoring, income restoration, resettlement areas, etc. and are included in the cost of the project. Cost estimates will be updated based on the results of DMS and replacement cost survey after technical design. Compensation costs for land and other assets will come from the counterpart funds. Annually, abbreviated resettlement plans of the provinces will include detailed compensation costs and other entitlements in which costs for residential and agricultural lands are separated. Compensation cost is expected to include a 15% provision for contingencies.

ANNEX 1: DOCUMENTS

This section summarizes the tasks required to produce the site-specific documents during project implementation:

1. Abbreviated Resettlement Plans

- Components:
- Level: Province.
- Time: Annually
- Agency in charge: provincial PMU.
- Information needed: district inventories and provincial budget for compensation for _____ Component.
- Specific cases: a complete resettlement plan must be produced following an outline that will be provided by IDA when a subproject has more than 200 affected persons in its inventory in a given year.

Inventories

- Component: same as above.
- Level: same as above.
- Time: one inventory book is kept throughout the project cycle; annual summaries are made from Year 2 of the project onward.
- Agency in charge: district working group.
- Information needed: district inventories; provincial budget for compensation.

These inventories will include two parts:

- Baseline information: (i) name of person, commune and village of residence, (ii) gender, ethnicity, main occupation, number of persons in the household and category of income, (iii) commune and village where the land affected is located, number of plots, area of each plot (or land register references where available) and categories, (iv) types of crops and amount of production lost, (v) types and value of other assets lost, and (vi) expected month and year for construction start; and
- Compensation information: (i) date of compensation payment or land allocation, (ii) mode of compensation (land, kind or cash), and (iii) amount (or value) of compensation; and (iv) in the case of land-for-land compensation, commune and village where the land affected is located, number of plots, area of each plot (or land register references where available) and categories, status of land before allocation to household.

ANNEX 2: Template – Summary annual plan for compensation and resettlement

I. INTRODUCTION

- 1.1 Introduction of the project and sub-project
- 1.2 Measures for mitigating negative impacts to the project
- 1.3 Purpose of the resettlement action plan

II. IMPACT OF THE SUB - PROJECT

- 2.1 Procurement and methods for estimating losses
- 2.2 Impacts of the project

III. SOCIO – ECONOMIC STUDIES

- 3.1 Socio – economic survey in the subproject area
- 3.2 Population features of affected households
- 3.3 Gender issues

IV. POLICY FRAMEWORK AND ENTITLEMENTS

- 4.1 Legal documents on land acquisition and resettlement
- 4.2 Compensation policy
- 4.3 Compensation procedures

V. INCOME – RESTORING MEASURES

VI. RESETTLEMENT PLANNING

VII. INFORMATION DISCLOSURE, COMMUNITY CONSULTATION AND PARTICIPATION

- 7.1 Information disclosure
- 7.2 Community consultation
- 7.3 Grievance redress mechanism

VIII. GRIEVANCE REDRESS MECHANISM

IX. INSTITUTIONAL ARRANGEMENTS

- 9.1 Central
- 9.2 Responsibilities of People’s Committees (PPC, DPC, CPC)
- 9.3 Responsibilities of Resettlement Council

X. MONITORING AND EVALUATION

- 10.1 Internal monitoring
- 10.2 External monitoring

XI. BUDGET SOURCES AND COST ESTIMATES

- 11.1 Financial sources for all resettlement activities

11.2 Compensation and estimated subsidies

11.3 Contingency

XII. TIMETABLE FOR IMPLEMENTATION OF RESETTLEMENT