

Laos People's Democratic Republic

**Mainstreaming Disaster and Climate Risk  
Management into Investment Decision in Lao PDR**

**Resettlement Policy Frameworks**

**Ministry of Planning and Investment**

January 18 2012

# Table of Contents

<b>ABBREVIATION</b>	<b>3</b>
<b>DEFINITION OF TERMS</b>	<b>4</b>
<b>1. INTRODUCTION</b>	<b>5</b>
1.1. Background	5
1.2. Project Development Objective and Project Components	5
<b>2. LEGAL FRAMEWORK</b>	<b>6</b>
2.1. Government Laws, Decrees, and Guidelines	6
2.2. World Bank Policy on Involuntary Resettlement	6
2.3. Key Differences in Lao PDR Law and World Bank Policies	7
<b>3. OBJECTIVE OF THE RESETTLEMENT POLICY FRAMEWORK</b>	<b>7</b>
<b>4. SCOPE OF PROJECT IMPACT</b>	<b>7</b>
<b>5. ELIGIBILITY CRITERIA</b>	<b>8</b>
<b>6. STRATEGY FOR COMPENSATION AND MITIGATION OF PROJECT IMPACT</b>	<b>8</b>
6.1. General Principles	8
6.2. Voluntary Donation	9
6.3. Compensation and rehabilitation measures under the Project	9
6.4. Relocation and Income Restoration Strategy	10
6.5. Vulnerability, Gender and Ethnicity	10
<b>7. THE ENTITLEMENT MATRIX</b>	<b>10</b>
<b>1. INSTITUTIONAL ARRANGEMENT</b>	<b>14</b>
7.1. Organization Setup	14
7.1.1. Provincial Resettlement Committee (PRC)	15
7.1.2. Project Resettlement Office (PRO)	15
7.1.3. District Resettlement Committee	15
7.1.4. Village Resettlement Committees	15
7.1.5. Relevant Line Departments	16

7.2.	<i>External monitoring and evaluation organization</i>	16
<b>8.</b>	<b>RESETTLEMENT ACTION PLAN AND LAND ACQUISITION REPORT PREPARATION</b>	<b>16</b>
<b>9.</b>	<b>COMMUNITY CONSULTATION AND GRIEVANCE MECHANISMS</b>	<b>17</b>
<b>10.</b>	<b>MONITORING AND EVALUATION</b>	<b>18</b>
10.1.	<i>Internal monitoring</i>	18
10.2.	<i>External monitoring and evaluation</i>	19
	<b>ANNEX 1 - SAMPLE FEEDBACK FORM AND AGREEMENT FORM</b>	<b>20</b>
	<b>ANNEX 2 - SUMMARY INFORMATION MATRIX ON AFFECTED LAND AND INFRASTRUCTURE</b>	<b>41</b>
	<b>ANNEX 3 - CONTENTS OF AN LAND ACQUISITION REPORT</b>	<b>42</b>
	<b>ANNEX 4 - OUTLINE FOR A RESETTLEMENT ACTION PLAN</b>	<b>43</b>

## Abbreviation

CR	Compensation and Resettlement
DAFO	District Agriculture and Forestry Office
DMS	Detail Measurement Survey
DOI	Department of Irrigation
DOR	Department of Roads
DPWT	Department of Public Works and Transport
DRM	Disaster Risk Management
FMC	Feedback and Mediation Committee
GFDRR	Global Fund for Disaster Risk Reduction
GoL	Government of Laos
Lao PDR	Lao People's Democratic Republic
LAR	Land Acquisition Report
LDCs	Least Developed Countries
LRSP	Lao Road Sector Project
MAF	Ministry of Agriculture and Forestry
MoD	Ministry of Defense
MoNRE	Ministry of Natural Resources and Environment
MPI	Ministry of Planning and Investment
MPWT	Ministry of Public Works and Transport
NDMC	National Disaster Management Committee
NDMO	National Disaster Management Office
NREO	Natural Resources and Environmental Office
NSEDP	National Socio Economic Development Plan
O.P	Operational Policy
OPWT	Office of Public Works and Transport of District
PAFO	Provincial Agriculture and Forestry Office
PAPs	Project Affected Persons
PM	Prime Minister
PRC	Provincial Resettlement Committee
PRO	Project Resettlement Office
RPF	Resettlement Policy Framework
TED	Technical and Environmental Division
UN	United Nations
WB	World Bank

## DEFINITION OF TERMS

**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.

**Cut-of-date** – The date that the Decision on the target beneficiaries and on the land acquisition of the project areas is issued by a competent authority and publicly announced to local target-communities and to affected or displaced persons.

**Entitlement** – range of measures comprising compensation, income restoration, transfer assistance, income substitution and relocation 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. The census used this definition and the data generated by the census forms the basis for identifying the household unit.

**Income restoration** - means re-establishing income sources and livelihoods of PAPs 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 is compelled by a government agency to alienate all or part of the land a person owns or possesses, to the ownership and possession of the government agency, for public purpose in return for a consideration.

**Project Affected Persons (PAPs)** - includes any person or entity or organization affected by the Project, who, on account of the involuntary acquisition of assets in support of the implementation of the Project, would have their (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house and buildings, land (including residential, commercial, agricultural, plantations, forest and grazing land) water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily; and (iii) business, profession, work or source of income and livelihood lost partly or totally, permanently or temporarily.

**Replacement Cost** – is the term used to determine the amount sufficient to replace lost assets and cover transaction costs. When domestic laws do not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standards.

**Resettlement** – is the general term related to land acquisition and compensation for loss of asset whether it involves actual relocation, loss of land, shelter, assets or other means of livelihood.

**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) ethnic group.

# **1. INTRODUCTION**

## **1.1. Background**

Disasters in Lao PDR come with a high cost. While floods, droughts, and typhoons are the dominant hazards, the country is also susceptible to landslides and, in the northern parts, to earthquakes. It is estimated that typhoons cause an economic average annual loss of US\$17.6 million, followed by floods (US\$8.3 million) and droughts (US\$4.7 million)<sup>1</sup>. The frequency and intensity of the meteorological disasters is likely to increase due to climate change. Lao PDR has experienced unusually harsh floods in 2008 which affected about 204,000 people and damaged an estimated 50,000 ha of arable land. The floods were followed by the Typhoon Ketsana in 2009 which caused severe damages and losses in the amount of US\$58 million<sup>2</sup>.

In Lao PDR, response and relief operations have traditionally been at the center of policy and donor support in the area of disasters. The National Disaster Management Committee (NDMC), the National Disaster Management Office (NDMO), and the Ministry of Defense (MoD) are playing leading roles in response and relief with technical and financial assistance from the United Nations (UN).

In the last years, however, with GFDRR support, a shift has occurred in the country away from disaster management, response, and relief towards disaster risk reduction and climate change adaptation. Hazards are not considered as temporary disruptions anymore to be managed only by short-term humanitarian response but as events that require a holistic approach with sustained efforts to reduce the costs of hazards in advance. To secure the steady advances towards poverty alleviation and economic growth in the last years, the Government of Lao PDR has identified disaster risk management (DRM) as one of the key challenges. In order to preserve the development gains and achieve the vision of graduating from the list of Least Developed Countries (LDCs) by 2020, the Government attaches increasing importance to working towards disaster risk reduction and improving the safety and resilience of public investments. This shift is manifested, for example, in the recently developed Seventh National Socio Economic Development Plan (NSEDPP) 2011-2015, in which disaster risk management is an integral part.

## **1.2. Project Development Objective and Project Components**

The objective of the project is to strengthen the institutional authority and implementation capacity of the Government of Lao PDR at national and sub-national levels to mainstreaming disaster risk management and climate change adaptation into public infrastructure investments, thereby potentially decreasing the vulnerability of the population and national economy to climate change and natural hazards.

Specifically, the Project has the following components.

Component 1: Risk Assessment. This component will focus on the identification of risks and integration of risk scenarios in the development planning and policies through the risk assessments in the transport, irrigation, and urban planning sectors, and the provision of training on risk assessments.

---

<sup>1</sup> ASEAN/ISDR/WB 2010: Synthesis Report on Ten ASEAN Countries Disaster Risks Assessment

<sup>2</sup> Estimate by the Post Disaster Needs Assessment Team 2009

Component 2: Mainstreaming Disaster and Climate Risk Management into Investments. This component will assist the development of guidelines and strategies to mainstream disaster risk management and climate change adaptation into the planning cycle and budgeting processes, through (i) integration of DRM into existing strategies for Transport, Irrigation, and Urban Planning; (ii) review and revision of building codes; and (iii) dissemination of technical standard specification, design and construction guidelines on safe construction/disaster resilience in the Transport, Irrigation, and Urban Planning sectors.

Component 3: Institutional Strengthening and Capacity Building. This component will build capacity of the technical staff of the MPI, MPWT and MAF to undertake risk assessments, interpret, apply and update relevant data through on the job training and workshops.

Component 4: Pilot Sub-Projects in two disaster-prone provinces. This component will demonstrate the disaster-resilient construction practices developed under Component 2 in two disaster-prone provinces to be identified through the risk assessments of component 1.

Component 5: Monitoring and Evaluation. This component will conduct the monitoring and evaluation of project activities and results indicators will be undertaken on a regular basis.

Component 6: Project Management.

## **2. LEGAL FRAMWORK**

### *2.1. Government Laws, Decrees, and Guidelines*

In Lao PDR, compensation principles and policy framework for land acquisition and resettlement are governed by several laws, decrees and regulations as follows: (a) The Constitution (1991), (b) the Land Law (2003) , (c) Road Law (1999). (d) Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (No.192/PM, dated 7 July 2005), and (e) Regulations for Implementing Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (No.2432/STE, dated 11 November 2005) (CR Decree). Technical Guidelines of the CR Decree has been finalized recently and training is being provided to key agencies and provinces. Approval of a new decree on Environmental Impact Assessment (EIA) in February 2010 will provide a strong legal basis for development projects to conduct social assessment and plan/implement mitigation measures as needed. A Public Involvement Guideline expected to be approved by the Minister, MoNRE (former name as WREA) by the end of 2011 also provides legal basis for people affected by development projects and concerned stakeholders to participate in project development and monitoring.

### *2.2. World Bank Policy on Involuntary Resettlement*

The WB's Operational Policy 4.12: Involuntary Resettlement is triggered for this project. It requires that all investments and activities financed under the Project comply with the policy whether or not they are directly funded in whole or in part by the World Bank funds. The WB policy on Public Consultation and Information Disclosure (O.P. 17.50), which defines the Bank's requirements for giving the public access to project information and documentation, will also apply.

### 2.3. *Key Differences in Lao PDR Law and World Bank Policies*

Promulgation of GoL's compensation and resettlement Decree 192/PM represents a significant improvement in the rights of citizens when their livelihoods, possessions and society are affected by development projects. Both the compensation and resettlement decree and World Bank policy on involuntary resettlement entitle the Project Affected Persons (PAPs) to compensation for affected land and non-land assets at replacement cost. However, definition of severely affected PAPs varies between World Bank (OP 4.12) at 10% and the decree 192/PM (Article 8) at 20% of income generating assets affected. However in accordance with the decree 192/PM (Article 6) which entitles all PAPs to economic rehabilitation assistance to ensure they are not worse off due to the development project and to be in line with WB policy. The 10% definition of severely affected will be adopted as part of the project resettlement policy.

Another difference is that, both the compensation and resettlement decree (192/PM) and WB policies entitle non-titled PAPs to compensation for affected assets at replacement cost and other assistance so that they are not made worse off due to the development project. Decree 192/PM goes beyond WB's policy and provides PAPs living in rural or remote areas, or PAPs in urban areas who do not have proof of land-use rights and who have no other land in other places, compensation for loss of land-use rights at replacement cost, in addition to compensation for their other assets and other assistance. Should PAPs be found to be non-titled and required to relocate, the development project will ensure they are provided replacement land at no cost to the PAPs, or cash sufficient to purchase replacement land.

## **3. OBJECTIVE OF THE RESETTLEMENT POLICY FRAMEWORK**

The objective of the Resettlement Policy Framework is to avoid, minimize and mitigate negative impacts that may arise from the implementation of the Project in line with OP 4.12 and LoG's Decree 192/PM/2005, and ensure that all Project Affected People will receive compensation or rehabilitation measures sufficient to assist them to improve or at least restore the pre-project level of livelihood.

## **4. SCOPE OF PROJECT IMPACT**

The Project will finance small scale civil works under the road and irrigation sectors such as the repair of drainage canals or urban drainage system, slope stabilization, elevation of road embankment, rehabilitation of culverts or weak spots on roads, strengthening of irrigation structures in high risk area, and the repair of irrigation channels damaged by the natural disasters (i.e. Typhoon Haima and Nok Ten). Since the investments to be financed under the Project and their locations are not known yet, it is not possible to determine the exact scope and scale of impact; they will be clarified during project implementation. Given the small scale nature of investments to be supported, a major acquisition of private land, physical relocation of households or other significant negative impacts are unlikely to occur, although minor impacts such as loss of structures, trees, standing crop or the relocation of structures including residential structures within the existing premise may occur.

## **5. ELIGIBILITY CRITERIA**

All project affected people (PAP) who are found and recorded at the time of the cut-off date and who will be negatively affected by the Project will be eligible for compensation or rehabilitation measures under the RPF. The cut-off date will be the final day of the detailed measurement survey (DMS) in each subproject. Those who encroach into the subproject area after the cut-off date will not be entitled to compensation or any other assistance.

## **6. STRATEGY FOR COMPENSATION AND MITIGATION OF PROJECT IMPACT**

### *6.1. General Principles*

Both the procedures and principles described in the GoL's Decree and its implementing regulations on the Compensation and Resettlement of People Affected by Development Projects (2005) and the WB Operational Policy on Involuntary Resettlement (OP 4.12) will be applied, however with an adoption of the 10% definition of severely affected as discussed above. In this regard the following principles and objectives would be applied:

- Acquisition of land and other assets will be minimized as much as possible; resettlement of people and structure demolition of homes and business will not be allowed unless WB prior clearance is provided.
- Project Affected Persons (PAPs) are all households who are identified in the Project impacted areas on the date of the DMS. They are entitled to be provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels. Lack of legal rights to the assets lost will not bar the PAP from entitlement/compensation to such rehabilitation measures.
- The rehabilitation measures to be provided are: (i) cash compensation at replacement cost without deduction for depreciation or salvage materials for houses and other structures; (ii) agricultural land for land of equal productive capacity acceptable to the PAP ; (iii) replacement of residential and commercial land of equal size acceptable to the PAP; (iv) and transfer and subsistence allowances.
- Replacement residential and agricultural land will be as nearby as possible to the land that was lost, and acceptable to the PAP. Plans for acquisition of land and other assets and provision of rehabilitation measures will be carried out in consultation with the PAPs, to ensure minimal disturbance. The compensation and rehabilitation activities

will be satisfactorily completed before awarding of contract of civil works under each sub-project

- The sources of funding for the compensation and rehabilitation of PAPs will be funded as follows: compensation for productive, residential and commercial land will come from the village land or neighboring villages through the approval of the responsible Government Agency, and cash compensation for structures, trees, crops, income loss and rehabilitation assistance will come from the provincial counterpart fund in the Project.

## 6.2. *Voluntary Donation*

Community members have the right to make a contribution of their land or other assets, without seeking or being given compensation, in accordance with GoL's decree on compensation and resettlement 192/PM/2005. This can often be justified because the subproject will either increase the value of the remaining property or provide some other direct benefit to the affected people. Voluntary contribution is an act of informed consent. The Project must assure that voluntary contributions are made with the prior knowledge that other options are available, and are obtained without coercion or duress. Voluntary donation is allowed only if the criteria and procedures provided below are followed.

Under this Project, voluntary donation will not be applied except for very minor losses of assets. For small strips of land, the following criteria will be strictly complied with: the PAPs total land area is not less than 300 m<sup>2</sup>; if the PAPs total land area is more than 300 m<sup>2</sup>, the strip of land that can be donated cannot be more than 5% of the total land area; and there are no houses, structures or fixed assets on the affected portion of land.

Where voluntary donation is applied, documents which show (i) that the affected people are aware that they are entitled for compensation and (ii) that all applicable criteria mentioned above are met, and (iii) which are signed by both husbands and wives of the affected households, should be kept in the project file. Also, where voluntary donation is applied, the following procedures and requirements need to be followed:

- (i) The document showing the informed consent for asset donation (signed by both husband and wife) should be prepared in a manner that is legally accepted under the current relevant law of Lao PDR;
- (ii) Full disclosure of the RPF and consultation with project affected persons should be conducted prior to the signing by affected parties of the documents mentioned above, in order to ensure that they clearly understand the compensation/ assistance that they are entitled to as per project's RPF;
- (iii) Feedback and Mediation mechanisms of the project should apply; and
- (iv) Assets of the poor and vulnerable households should not be acquired as per voluntary donation.

## 6.3. *Compensation and rehabilitation measures under the Project*

Persons affected under the Project are entitled for the following list of compensation or rehabilitation measures:

- a) Replacement of land with an equally productive plot or other equivalent productive assets; or
- b) The cash compensation based on replacement value; and
- c) Materials and assistance to replace fully solid structures that will be demolished; and
- d) Replacement of damaged crops, at market value; and
- e) Special assistance or allowance to vulnerable / poor affected HHs; and
- f) Other acceptable in-kind compensation.

#### 6.4. *Relocation and Income Restoration Strategy*

In an unlikely event that physical relocation is unavoidable, households that have to relocate will participate in identifying and selecting options to relocate on their existing plots, or to move to plots provided by the district or to receive cash compensation and to make their own arrangements for relocation. In the case that any businesses have to relocate, they will be assisted to find viable new sites. Households who are severely affected through the loss of 10% or more productive assets will be provided with replacement land or assisted to purchase replacement land. PAPs will also be provided with farm inputs to increase productivity on remaining land and/or replacement land. Appropriate livelihood restoration programs will be designed and implemented during project implementation in consultation with PAPs. PAPs will not be displaced until the village allocates land within the same or neighboring village.

#### 6.5. *Vulnerability, Gender and Ethnicity*

The RPF recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels; and therefore, at greater risk of impoverishment when their land and other assets are affected. The Project will identify any specific needs or concerns that need to be considered for the ethnic groups and other vulnerable groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support. A gender strategy and ethnic group specific actions, as needed, will be included in the Resettlement Action Plan.

### 7. The Entitlement Matrix

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
Productive Land	Legal owner or	• For marginal loss of 10% of	• Legal owners are

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
(paddy, garden, and Teak Plantation)	occupant identified during census and tagging	<p>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</p> <ul style="list-style-type: none"> <li>• Replacement land of similar type, category and productive capacity of land within or nearby the village, with land title.</li> <li>• 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 if Land Titling Project is ongoing in the area. If not, land use certificate to be issued. OR at the request of PAP, cash compensation at replacement cost plus assistance to purchase and register land</li> </ul>	<p>those who received land use certificates or land titles from the Land Titling Project.</p> <ul style="list-style-type: none"> <li>• Voluntary donation will not be applied for any assets except for very minor losses of land holding as defined under this RPF</li> </ul>
Residential Land	Legal owner or occupant identified during census and tagging	<ul style="list-style-type: none"> <li>• <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 PAPs (e.g. filling and leveling) so PAPs can move back on remaining plot.</li> <li>• <u>Without</u> 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 if Land Titling Project is ongoing 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.</li> </ul>	<ul style="list-style-type: none"> <li>• Legal owners are those who have land use certificates or land titles from the Land Titling Project.</li> <li>• 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 m<sup>2</sup>; (ii) if the PAP's total residential land area is more than 300 m<sup>2</sup>, 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.</li> <li>• 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 192/PM/2005.</li> </ul>
Fishpond (Remaining area is still viable or can still meet expected personal	Owner of affected fishpond	<ul style="list-style-type: none"> <li>• 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</li> </ul>	<ul style="list-style-type: none"> <li>• Adequate time provided for PAPs to harvest fish stocks</li> <li>• Voluntary donation of fishpond land will not be</li> </ul>

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
or commercial yield)		<p>from transaction costs (taxes, administration fees)</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	allowed by the Project.
<p>Totally Affected Houses/Shops, and Secondary Structures (kitchen, rice bins)</p> <p>Partially Affected Houses/Shops but no longer viable (Will require relocation)</p>	Owners of affected houses whether or not land is owned	<ul style="list-style-type: none"> <li>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</li> <li>Timely provision of dump trucks for hauling personal belongings at no cost to the PAPs.</li> </ul>	<ul style="list-style-type: none"> <li>Adequate time provided for PAPs to rebuild/repair their structures</li> <li>Affected houses and shops that are no longer viable are those whose remaining affected portion are no longer usable/habitable.</li> </ul>
Temporary Use of Land	Legal owner or occupant	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> </ul>
<p>Partially Affected Houses and Shops and secondary structures</p> <p>(Will not require relocation)</p>	Owners of affected houses whether or not land is owned	<ul style="list-style-type: none"> <li>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;</li> </ul>	
Loss of business income during	Owners of shops	<ul style="list-style-type: none"> <li>For businesses (shops) cash compensation equivalent to the daily</li> </ul>	It will take one day to move the shops if made of

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
relocation or during dismantling/repair of affected portion (without relocation)		wage rate (i.e., 10,000 kip /day) multiplied by the number of days of business disruption.	traditional materials (bamboo)/movable (can be carried without totally dismantling the structure). It will take about two days to remove and repair affected portion of shop made of permanent materials (such as good wood and concrete). The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.
Crops and Trees	Owner of crops and trees whether or not land is owned	<ul style="list-style-type: none"> <li>• 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</li> <li>• For perennial crops and trees, cash compensation at replacement cost equivalent to current market value based on type, age, and productive capacity.</li> <li>• 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</li> </ul>	
Permanent loss of physical cultural resources/public structures/village or collective ownerships	Villagers or village households	<ul style="list-style-type: none"> <li>• Compensation at replacement cost for present/existing structures based on its present value.</li> </ul>	
Graves located in the affected areas	Owners of graves	<ul style="list-style-type: none"> <li>• Compensation for the removal, excavation, relocation, reburial and other related costs will be paid in cash to each affected family.</li> </ul>	
Electricity Poles	Electricity Companies	<ul style="list-style-type: none"> <li>• Cash compensation for cost to dismantle, transfer and rebuild</li> </ul>	
Transition subsistence allowance	Relocating households – relocating on residual land or to other sites Severely affected PAPs losing 10% or more of their productive land	<ul style="list-style-type: none"> <li>• Relocating PAPs 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</li> <li>• Relocating PAPs with main source of income affected (i.e., from businesses) or PAPs 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</li> </ul>	
Transportation allowance	Relocating households – to	Provision of dump trucks to haul all old and new building materials and personal	PAPs may also opt for cash assistance. The amount (cost

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
	other sites	possessions	of labor and distance from relocation site) to be determined during implementation
Severe impacts on vulnerable PAPs (Relocating PAPs and those losing 10% or more of their productive assets)	Vulnerable PAPs such as the poorest, or households headed by women, the elderly, or disabled, and ethnic group	<ul style="list-style-type: none"> <li>• An additional allowance of 1 month supply of rice per person in the household.</li> <li>• Eligible to participate in income restoration program</li> <li>• The contractors will make all reasonable efforts to recruit severely affected and vulnerable PAPs as laborers for road construction and road maintenance works</li> </ul>	The poorest will be those below the national poverty line as defined in the poverty partnership agreement with World Bank

## INSTITUTIONAL ARRANGEMENT

Specific investments under the Project will be prepared and implemented by the Department of Roads (DOR) under the MPWT for investments related to roads and by the Department of Irrigation (DOI) under the Ministry of Agriculture and Forestry for investments related to irrigation, under the coordination by the Ministry of Planning and Investment (MPI). As responsible for the overall coordination of the project, MPI developed this RPF. However, specific Resettlement Action Plans (RAP) will be developed by DOR or DOI, respectively.

The Technical and Environmental Division (TED) of the DoR will be primarily responsible for developing the Resettlement Action Plans (RAP) for investments related to roads. The TED is primarily in charge of monitoring environmental and social issues related to investments under the DoR and ensuring their compliance with environmental and social safeguard requirements. The on-going Lao Road Sector Project (LRSP) has been supporting the capacity development of TED.

The project coordinator assigned by DOI will be primarily responsible for developing the Resettlement Action Plans (RAP) for investments related to irrigation. The project coordinator of DOI is primarily in charge of monitoring environmental and social issues related to investments under the DOI and ensuring their compliance with environmental and social safeguard requirements.

### 7.1. Organization Setup

While the TED under MPWT and the project coordinator under DOI are responsible for the overall preparation and implementation of resettlement activities at the central level, they will be assisted by the following organizations at the local level for day-to-day planning and implementation processes:

- (1) Provincial Resettlement Committee (PRC)
- (2) Project Resettlement Office (under DPWT or DAF)
- (3) District Resettlement Committee (DRC)
- (4) Village Resettlement Committees (VRC)
- (5) Relevant line departments

#### *7.1.1. Provincial Resettlement Committee (PRC)*

To ensure the smooth implementation of resettlement activities, a special Provincial Resettlement Committee (PRC) will be set up headed by vice governor of provincial government, and participated by the Department of Public Works and Transport (DPWT) or the Provincial Agriculture and Forestry Office (PAFO) as Project Owners. In addition, the Natural Resource and Environmental Office (NREO), Lao Women Union, LWU, Department of Planning and Investment (DPI), Department of Finance, Land Management Office (LMO), the Department of Public Security and other relevant departments will also participate in the PRC. The PRC's main responsibilities are to enhance the leadership of the project and coordinate outside and internal relationship for the project to ensure the project land acquisition compensation and resettlement can go smoothly. The PRCs will undertake critical roles, including:

- Verification of the loss of land and other assets due to project implementation
- Establishing compensation rates (replacement costs) for affected assets
- Hold public consultation meeting and information disclosure
- Monitor and Report all the resettlement plan activities;
- Coordinate and solve conflicts and problems in the process.

#### *7.1.2. Project Resettlement Office (PRO)*

Project Resettlement Office (PRO) will be established within the DPWT or DAF and takes on primary responsibility for the day-to-day preparation and implementation of resettlement related activities including the preparation of RAP respectively. As the implementation organization of project land acquisition, compensation and resettlement, its major responsibilities include:

- Participate in project inspection and develop relevant RAP;
- Organize public participation and publicize resettlement policies;
- Implement, monitor and record all the resettlement activities within the province;
- Pay and manage land acquisition compensation fund;
- Report implementation status to the Resettlement Committee; and
- Coordinate and solve conflicts and problems in the process.

#### *7.1.3. District Resettlement Committee*

The Resettlement Committee of relevant districts governments are led by the relevant vice district governors, and composed of officials from relevant line offices (i.e., OPWT or AFO, Financial Office, District Land Management Office, Natural Resource and Environmental Office). The major responsibilities of the DRC are as follows:

- Participate in project impact investigation and assist the compilation of resettlement plan;
- Organize public participation and publicize resettlement policies;
- Implement, monitor and record the resettlement activities within its town;
- Pay and manage land compensation fund;
- Supervise the land acquisition process;
- Report land acquisition compensation and resettlement situation to PRC;
- Coordinate and solve any conflict and problem during the process.

#### *7.1.4. Village Resettlement Committees (VRC)*

The resettlement committees of the affected villages are composed of the village chiefs, deputy chiefs, village elders/traditional leaders and PAP representative. Their responsibilities are as follows:

- Participate in social, economic and project impact survey;
- Organize the public consultation and publicize land acquisition compensation policies;
- Conduct land adjustment and allocation and other resettlement-related activities;
- Report affected people' opinions and suggestions to the superior authorities;
- Acting as “first step” grievance officers and ensure that grievance are resolved;
- Report the progress of resettlement; and
- Provide help to vulnerable people affected by the land acquisition.

#### *7.1.5. Relevant Line Departments*

Under the national regulations, resettlement and land acquisition are the responsibility of project owners, in other words, the Department of Road or the Department of Irrigation. As the project owners, they will play a major role in monitoring and coordination, including:

- Organize resettlement training for the major staff of the Resettlement Office;
- Organize and coordinate the development and implementation of RAPs;
- Guide, coordinate and supervise the resettlement activities and resettlement schedule;
- Organize and check the internal monitoring activities, and compile land acquisition compensation and resettlement progress report; and
- Identify the external monitoring organization and assist the external monitoring activities.

#### *7.2. External monitoring and evaluation organization*

A qualified external monitoring organization will come from an independent organization, such as an academic research institute or consultancy in Laos. However they will be selected by DOR or DOI to carry out resettlement monitoring and evaluation for the Project. Its major responsibilities include:

- Observe all the aspects of resettlement plan and its implementation; provide resettlement monitoring and evaluation report to the World Bank through Project Resettlement Office. This responsibility is detailed in the chapter on external monitoring and evaluation;
- Develop resettlement action plan and conduct production resettlement planning; and
- Provide technical consulting services to the Project Resettlement Office in terms of data investigation and processing.

### **8. RESETTLEMENT ACTION PLAN AND LAND ACQUISITION AND COMPENSATION REPORT PREPARATION**

For the investments with significant land acquisition (affecting more than 200 persons or more than 10% of the total productive land held by PAP), Resettlement Action Plan (RAP) will be required. If land or other assets has to be acquired through compensation (i.e. not through voluntary donation) and impact is minor (i.e. if impact is less than the threshold mentioned above), a Land Acquisition and Compensation Report (LACR)<sup>3</sup> will be required.

---

<sup>3</sup> The Land Acquisition Report is so called in Lao PDR, but synonymous, in terms of content and style, with the Abbreviated Resettlement Action Plan as provided in the Bank's Operational Policy 4.12

The sample Table of Contents of the Resettlement Action Plan (RAP) and Land Acquisition Compensation Report (LACR) are in **Annexes 3 and 4**.

The Technical and Environmental Division (TED) of the DoR or the project coordinator assigned by DOI, with the support of the environmental and social specialist of the supervision consultant team, will prepare RAP or LACR for relevant sub-projects. Civil works will not be allowed to start in sections or for parts of subprojects for which a LACR or RAP has to be prepared before it is cleared by the World Bank. The TED or the project coordinator under the DOI will also confirm that, where voluntary donation is applied, no other satisfactory alternative is available, that affected persons have been informed about their rights to compensation and that they agreed with the arrangements knowingly.

<b>COVERAGE OF NEGATIVE SOCIAL IMPACT</b>	<b>TYPE DOCUMENTS REQUIRED</b>
<ul style="list-style-type: none"> <li>For subproject that are determined to result in minor impacts, defined under the OP 4.12, when “the affected people are not physically displaced and less than 10% of their productive assets are affected or fewer than 200 people are displaced”,</li> </ul>	<p><b><u>Land Acquisition and Compensation Report (LACR) will be prepared.</u></b> An outline of the LAR is provided in <b>Annex 3</b>.</p>
<ul style="list-style-type: none"> <li>For subprojects that may result in more significant impacts, i.e. where subprojects affect more than 200 people, or if more than 10% of an individual holding is affected, or for subprojects for which households or structures are moved.</li> </ul>	<p><b><u>Resettlement Action Plan (RAP) will be prepared.</u></b> Outline of the Resettlement Action Plan (RAP) is shown in <b>Annex 4</b>.</p>

**Notes:** (i) For subprojects not anticipated to result in displacement, and where loss of assets are anticipated to be negligible, then this information shall also be indicated in the subproject proposal form.

## **9. COMMUNITY CONSULTATION AND GRIEVANCE MECHANISMS**

Once specific civil works subprojects have been identified, PAP will be consulted for the project and encouraged to participate in the consultation meetings, in order to ensure they clearly understand the Project and its compensation policies and thus to minimize the occurrence of grievances. However, during actual work, some problems may occur. Article 13 of Decree 192/PM requires the Project to establish an effective mechanism for grievance resolution. The same Decree provides that the prime responsibility for grievance resolution is the Project proponent, i.e., DOR and DOI, because they are responsible for carrying out Project works which are likely the source of grievances and are thus best placed to respond to and resolve grievances in the most timely and acceptable method. In order to effectively and quickly solve grievances people may have, the following process will be applied:

Stage 1:

If an affected person is not satisfied with the resettlement plan or its implementation, the person can issue oral or written complaint to the village committee or the District Resettlement Office (DRO). If it is oral complaint, the village should deal with this complaint and make written records. Village committee or DRO should solve the complaint within two weeks.

**Stage 2:**

If the affected person is not satisfied with the result of step 1, he/she can file appeal with the Project Resettlement Office (PRO) after he receives the decision made in step 1. The PRO should make a decision within two weeks.

**Stage 3:**

If the affected person is not satisfied with the result of step 2, he/she can file appeal with provincial Resettlement Committee for administrative arbitration after receiving the decision made by the PRO. The administrative arbitration organization should make the arbitrary decision within 10 days.

**Stage 4:**

If the affected person is still unsatisfied with the arbitrary decision made by the administrative arbitration organization, after receiving the arbitrary decision, he/she can file lawsuit with civil court according to relevant laws and regulations in Lao PDR.

PAP can make complaint or appeal on all aspects of project design and implementation, including issues related to resettlement. The Feedback Form will be developed under this project and made available at villages in project areas including where PAP live, for use by PAP to raise complaints or grievances. PAP will be clearly informed of the complaint and appeal channels described above through village meetings and other channels. Media tools should be used to communicate the information. Opinions and suggestions on resettlement provided by various people and organizations should be documented and resettlement organizations at various levels should study and address these issues in a timely manner.

The organizations addressing the affected people's complaint and appeal shall not charge any fee. Any expenses incurred due to complaint and appeal should be paid as unexpected expenses by the relevant project implementation agency.

## **10. MONITORING AND EVALUATION**

To ensure the smooth implementation of the resettlement plan and achieve the objective of adequately rehabilitating affected people, the project will carry out resettlement monitoring and evaluation in the whole process of land acquisition, demolition and resettlement. The monitoring and evaluation consists of two parts: the internal resettlement monitoring and the external resettlement monitoring and evaluation.

### *10.1. Internal monitoring*

The purposes of internal monitoring is to ensure the resettlement organizations at various levels can function soundly during the implementation of RAP and ensure the legitimate interests of the affected people will not be violated and the engineering work can progress smoothly. The internal monitoring of the project land acquisition, compensation and resettlement work should be organized the Project Resettlement Office with provision of overall guidance from TED/ESD of MPWT for road sub-projects and the project coordinator

of DOI for irrigation sub-projects. The Project will hire the supervision consultants including an environmental and social specialist who will assist the TED/ ESD of MPWT and the project coordinator of DOI, as well as the Project Resettlement Office, on matters related to resettlement and land acquisition. To effectively monitor the work from inside, the personnel responsible for this work in the resettlement organizations will participate in the development and implementation of the RAP. They will participate in the internal monitoring during the implementation of the RAP.

The contents of the internal monitoring include:

- (1) Payment and use of the funds for land acquisition compensation and rehabilitation;
- (2) Supports to the vulnerable groups;
- (3) Land readjustment and reallocation;
- (4) Quality and quantity of newly reclaimed land;
- (5) Schedule of the above activities;
- (6) Implementation of policies and rules in the resettlement plan;
- (7) Participation and consultation of the affected people during the RAP implementation;
- (8) Staffing, training, work schedule and resettlement operation at various levels.

#### *10.2. External monitoring and evaluation*

The external monitoring and evaluation aims to provide regular monitoring and evaluation of resettlement implementation for the Project, in order to assess whether the objectives of the resettlement are achieved or not. Through formal surveys, interview with affected people, focus groups and other survey methods, the external monitoring and evaluation would look at the whole process of the resettlement and rehabilitation for the affected people. The external monitoring will also provide an early alarm system for the project management department and a complaint channel for the affected people.

The external monitoring indicators will include:

- (1) Progress: including the preparation of resettlement, and implementation of compensation, relocation and rehabilitation.
- (2) Quality: including to what extent the affected people are satisfied with compensation and rehabilitation.
- (3) Compensation fund: including the payment and use of the funds for land acquisition compensation and resettlement.
- (4) Affected people: including the household economic situation before and after the project and economic rehabilitation of the affected people

**Annex 1 - Sample Feedback Form and Agreement Form**

SAMPLE FEEDBACK FORM

Date: \_\_\_\_\_

Feedback to be transferred to the Feedback and Mediation Committee (FMC) at:

\_\_\_ Provincial Level    \_\_\_ District Level    \_\_\_Kumban level    \_\_\_ Village level

District: \_\_\_\_\_ Kumban: \_\_\_\_\_ Village: \_\_\_\_\_

Describe the details for prompt response. To assure confidentiality, we will not ask for you identity, unless you specify voluntarily. The Feedback problems are as follows:

Date of the event you would like to feedback: \_\_\_\_\_

Location: \_\_\_\_\_

Person Involved: \_\_\_\_\_

Nature of the Feedback (please describe the information you would like to communicate) :

---

---

---

---

What is your request: \_\_\_\_\_

---

---

We hereby proposed the matter for your consideration and assist resolve the issues and concerns

SAMPLE AGREEMENT FORM

Date: \_\_\_\_\_

Feedback was made by the Feedback and Mediation Committee (FMC) at:

\_\_\_ Provincial Level    \_\_\_ District Level    \_\_\_Kumban level    \_\_\_ Village level

FMC Organized Investigation of Feedback Register No. \_\_\_\_\_ at:

\_\_\_ Provincial Level    \_\_\_ District Level    \_\_\_Kumban level    \_\_\_ Village level

In the meeting, it was agreed and resolved that: \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

This agreement is signed by all parties that the feedback case is closed, and no problems or issues remains.

**Participant and Witnesses**

Feedback Concerned Persons (*Name of persons who were involved in the case in some way. Note that this does not apply to the plaintiffs-name of plaintiffs shall remain confidential unless complainant/s requested otherwise*)

Name	Position	Signature
1.		
2.		
3.		
4.		

**Feedback and Mediation Committee:**

Name	Position	Signature
1.		
2.		
3.		
4.		

At: \_\_\_\_\_ Date: \_\_\_\_\_

(Signature and Stamp of the Provincial/District Governor Representative)

Report from Feedback and Mediation Committee at:

Village	
Kumban	
District	
Province	

**2/ Reporting period**

From ..... / ..... / ..... to ..... / ..... / .....

**3/ Summary**

Total of feedback received	
Total of feedback solved	
Total of feedback not yet solved	

**4/ Details of the feedback received**

Refer to table below

Signature and stamp from FMC

Date:...../...../.....

## Annex 2 - Summary Information Matrix on Affected Land and Infrastructure

Province: \_\_\_\_\_ District: \_\_\_\_\_ Village/Commune: \_\_\_\_\_

HH No.	Name of Head of Household	No. of Persons in Household	Total Landholding of Household (m2)	Land to be acquired (m2)	Loss as % of Total	Loss of Assets			Loss of Crops			Loss of other Assets	Other Losses			
						Structures Permanent (m2)	Structures Temporary (m2)	Area of Residential Land Lost (m2)	Fruit Trees Lost (Type and Number)	Area of Trees/Crops Lost (m2)	Other (Specify)	Example: graveyards, wells, etc. (type and number)	Residence (rented)	Business Lost	Income Lost	

### **Annex 3 - Contents of an Land Acquisition Report**

- Project Description and Location
- Potential displacement due to proposed subprojects
- Legal Framework
- Census and socioeconomic survey of affected families, properties and businesses
- Impacts caused by displacement
- Entitlement Matrix
- Compensation Valuation Methodology
- Source of Funds and Cost Estimates
- Schedules
- Monitoring and Evaluation

## **Annex 4 - Outline for A Resettlement Action Plan<sup>4</sup>**

### **I. Introduction**

- Description of project components
- Summary Description of adverse impacts and assets acquisition
- Identification of principal stakeholders including social groups vulnerable to impoverishment or debilitation
- Indicate measures taken to minimize adverse impacts

### **II. Census and Socioeconomic Survey Results**

- Review socio-economic characteristics of Project Affected Persons (PAPs), including: spatial distribution, household size and composition; age-sex structure; income levels, including primary occupation, supplementary sources of income, and subsistence activities; tenure and ownership status (land and structures); characteristics of collective land holdings, including area and qualitative characteristics; characteristics of structures, including construction types.
- Information should be provided disaggregated by ethnic groups, if any and gender
- Categories and numbers of PAPs by type and degree of impacts such as:
  - a) Severely affected households due to loss of productive assets and required to relocate
  - b) Severely affected households due to loss of residence, business premises
  - c) Partially affected households likely to be marginalized due to the loss of land, house, or business premises but not required to relocate
  - d) Households affected by minor impacts, receiving only easement compensation or “moving back” assistance
  - e) Tenants, laborers, employees, or other non-landed persons adversely affected by the project

### **III. Compensation Entitlement Criteria**

- Description of objectives of compensation policy
- Eligibility criteria for PAPs, including “cut-off date”, if necessary
- Description of compensation entitlements and other forms of assistance for each category of PAPs
- Description of specific measures to mitigate adverse impacts on vulnerable groups (if relevant)
- Entitlement Matrix

### **IV. Relocation Plan (if necessary)**

- Review of suitability of alternative relocation sites
- Site selection criteria

---

<sup>4</sup> Annex 3 of the Technical Guidelines on Compensation and Resettlement. These Resettlement Technical Guidelines, Nov. 2005. These Guidelines were prepared in accordance with the provisions of the Prime Minister’s Decree No 192/PM on Compensation and Resettlement, issued on 7 July 2005, and the Implementing Regulations on Compensation and Resettlement issued by the STEA.

- Review of environmental protection and management at resettlement sites
- Preliminary relocation options of PAPs
- Review of options for provision of shelter, infrastructure and social services
- Review of consultation procedures with PAPs in selection of resettlement alternatives during implementation
- Socioeconomic data gathering host population, if applicable

#### V. Income Restoration Measures (as necessary)

- Description of eligibility criteria for income restoration measures
- Feasibility analysis of any alternative income restoration programs including use of collective land compensation, training needs of PAPs in the context of employment opportunities and market demand, access to credit and micro-enterprise support for PAPs interested in small business development
- Institutional arrangements to finance and manage income restoration programs

#### VI. Public Participation, Consultation, Disclosure and Grievance Redress Mechanism

- Public Consultation exercises conducted during the RP preparation (provide details), including gender-specific consultation and information disclosure. This would include special attention to guarantee women's assets, property, and land use rights and to ensure the restoration of their income and living standards
- Description of opportunities for PAPs to participate in resettlement planning and implementation
- Procedures adopted for filing complaints, review and decision-making
- Procedures for disclosing RAP and resettlement information on compensation and resettlement options to PAPs in a form and language that they can understand

#### VII. Organizational set-up

- Administrative set-up and plans for training and capacity building as needed

#### VIII. Monitoring and Supervision

- Listing of performance monitoring indicators
- Institutional responsibilities and procedures for internal project monitoring
- Discussion of role, if any, of Community based organization and non-benefit organizations
- Content and frequency of monitoring reports

#### IX. Cost Estimates and Budget

- Estimate of aggregate costs for each type of asset loss
- Estimated costs for income restoration programs, administration, supervision and monitoring
- Statement of financial responsibility for all resettlement-related costs
- Physical and Price Contingencies

## X. Implementation Arrangement

- Timetable for implementation of all resettlement activities, tied to overall subproject timetable
- Procedures for implementation or delivery of key elements, as relevant:
  - a) Review of land-for-land arrangements, including timetable and funding for development of relocation sites and necessary services or other inputs
  - b) Review of procedures for payment of compensation
  - c) Procedures for assessing adequacy of compensation
  - d) Operational procedures for job placement, or other income restoration programs

