

Socialist Republic of Vietnam
Ministry of Industry and Trade

VIETNAM ENERGY EFFICIENCY
For
INDUSTRIAL ENTERPRISES PROJECT
(VEEIEs)
Resettlement Policy Framework
(Final)

Hanoi, October of 2015

TABLE OF CONTENTS

| | |
|-------------------------------------------------------------------------------------------------------------|-------------------------------------|
| ACRONYMS AND ABBREVIATION..... | 2 |
| GLOSSARY | 3 |
| SECTION 1. INTRODUCTION..... | 3 |
| 1.1. PROJECT DESCRIPTION | 3 |
| 1.2. RESETTLEMENT POLICY FRAMEWORK (RPF) | 3 |
| SECTION 2. POLICY, LEGAL AND ADMINISTRATIVE FRAMEWORK..... | 4 |
| 2.1 WORLD BANK SAFEGUARDS POLICIES TRIGGERED | 4 |
| 2.2 APPLICABLE VIETNAM LAWS AND REGULATIONS | 4 |
| 2.3 GAP ANALYSIS | 5 |
| SECTION 3. PRINCIPLES OF RESETTLEMENT POLICY FRAMEWORK..... | 8 |
| 3.1 GENERAL PRINCIPLES | 8 |
| 3.2 ELIGIBILITY CRITERIA AND ENTITLEMENTS | 9 |
| 3.3 POLICIES OF COMPENSATION..... | 10 |
| 3.3.1 <i>Compensation Policies for Loss of Houses/Structures</i> | 10 |
| 3.3.2 <i>Compensation Policies for Loss of Agricultural Land</i> | 11 |
| 3.3.3 <i>Compensation for Loss of Residential Land</i> | 12 |
| 3.3.4 <i>Compensation Policy for Loss of Standing Crops and Trees</i> | 13 |
| 3.3.5 <i>Damages to Private or Public Structures</i> | 13 |
| 3.3.6 <i>Compensation Policy for Loss of Income and/or Business/Productive Assets</i> . | 14 |
| 3.3.7 <i>Compensation Policy for Temporary Impact during Construction</i> | 14 |
| 3.3.8 <i>Secondary DPs</i> | 14 |
| 3.3.9 <i>Allowances and Rehabilitation Assistance</i> | 14 |
| SECTION 4: PREPARATION AND CLEARANCE OF RESETTLEMENT PLAN DURING THE PROJECT IMPLEMENTATION..... | 15 |
| 4.1 THE ABBREVIATED RESETTLEMENT PLAN | ERROR! BOOKMARK NOT DEFINED. |
| 4.2 FULL RESETTLEMENT PLAN | ERROR! BOOKMARK NOT DEFINED. |
| SECTION 5: CONSULTATION, PARTICIPATION AND DISCLOSURE..... | 16 |
| SECTION 6: IMPLEMENTATION ARRANGEMENTS | 17 |
| 6.1 INSTITUTIONAL ARRANGEMENT | 17 |
| SECTION 7. COMPLAINTS AND GRIEVANCES | 20 |
| SECTION 8. SUPERVISION, MONITORING AND EVALUATION..... | 20 |
| SECTION 9. RESETTLEMENT COST AND BUDGET | 21 |
| SECTION 10. SURVEYS AND DOCUMENTATION REQUIREMENTS..... | ERROR! BOOKMARK |
| APPENDIX 1 – ENTITLEMENT MATRIX | ERROR! BOOKMARK NOT DEFINED. |

Acronyms and Abbreviation

| | |
|--------|-------------------------------------------------------|
| AP | Affected Person |
| CPEE | Clean Production and Energy Efficiency |
| DP | Displaced Person |
| DPC | District People's Committee |
| EE | Energy efficiency |
| ESCOs | Energy Service Companies |
| GFU | Grievance Facilitation Unit |
| IBRD | International Bank for Reconstruction and Development |
| IDA | International Development Association |
| IEs | Industrial Enterprises |
| MOIT | Ministry of Industry and Trade |
| MONRE | Ministry of Natural Resources and Environment |
| OP | Operational Policy |
| PB | Participating Bank |
| PC | People's Committee |
| PCR | physical cultural resources |
| PFI | Participating Financial Institutions |
| PMB | VEEIEs Projects Management Board |
| IE | Industrial enterprise |
| PPC | Provincial People's Committee |
| RPF | Resettlement Policy Framework |
| TA | Technical Assistance |
| VEEIEs | Vietnam Energy Efficiency for Industrial Enterprises |
| WB | World Bank |

SECTION 1. INTRODUCTION

1.1. Project Description

Vietnam is one of the most energy intensive countries in East Asia in which Industrial growth has been one of the key drivers of Vietnam's increasing energy intensity, accounting for 48 percent or almost half of the final energy use. Subsequently, Vietnam Government has its best efforts on energy efficiency (EE)/saving promotion such passed Law on Energy Efficiency and Conservation, issued a series of decrees to promote EE by the Prime Minister, and set a target of 5-8% for energy savings from 2012 to 2015 compared to the forecast energy demand.

The Vietnam Energy Efficiency for Industrial Enterprises (VEEIEs project) is one of the Government's effort as a national target program. The proposed overall project objective is to improve energy efficiency in the industrial sector and contribute to achieving the government's energy efficiency and GHG reduction objectives. This is an integrated IBRD/IDA-funded project designed to help remove the principal barriers to investments in industrial EE projects including two components: (i) Component 1 – Energy Efficiency Investment Lending (US\$312 million, of which US\$200 million from IBRD, US\$50 million from PFIs, and US\$62 million from IEs); (ii) Component 2 – Technical Assistance and Capacity Building for Improving Energy Efficiency (US\$3million financed through IDA).

To address the above barriers and support obtaining the national target of energy savings, the Government and World Bank proceed the preparation of the Vietnam Energy Efficiency for Industrial Enterprises Project (VEEIEs). The VEEIEs will comply with applicable Vietnamese environmental legislations and the World Bank Safeguard Policies. For the Project's features, it is expected will not finance any activity which causes significant adverse environmental and social impacts to ensure that environmental and social issues will be considered together with other requirements during project implementation.

1.2. Resettlement Policy Framework (RPF)

The types of energy efficiency subprojects may include: (a) adoption of energy saving industrial technologies such as more efficient industrial boilers, kilns, and heat exchange systems; (b) recovery and utilization of by-product gas, waste heat and pressure; (c) installation of highly efficient mechanical and electrical equipment, including motors, pumps, heating and ventilation equipments; and (d) industrial system optimization to reduce energy use. Most of these subprojects will be located within the existing premises of industrial facilities and will not require additional land acquisition. However, this resettlement policy framework (RPF) is prepared to ensure that implementation of land acquisition and resettlement for those subprojects will follow relevant national laws and regulations and comply with the safeguard policies of the World Bank.

The RPF establishes principles and procedures to be followed if subsequent stages of project design or implementation are to cause land acquisition or other involuntary restrictions on access to land or other resources. This RPF will be applied to all activities of the EEP (Energy Efficiency Project) that result in involuntary resettlement, regardless of the source of financing. In addition, all non-Bank funded activities that in the judgment of the Bank are (i) directly and significantly related to the Bank-assisted project; (ii) necessary to achieve its objectives as set forth in the project documents; and (iii) carried out, or planned to be carried out, contemporaneously with the project, are subject to the applicability of this Resettlement Policy Framework.

SECTION 2. LEGAL FRAMEWORK

2.1 The World Bank's OP 4.12 Involuntary Resettlement

As regulated by the WB, RPF shall be in compliant with OP 4.12 - *Involuntary Resettlement* with the basic guiding principles as follows:

- Involuntary resettlement should be avoided where feasible, or minimized exploring all viable alternative in project design;
- 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 person displaced by the project to share in profit benefit. Displaced Person should be meaningful consulted and should have opportunities to participate in planning and implementing resettlement programs.
- Project affected persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.

Measures required that resettlement has a positive outcome including:

- Consulting with potential Project-affected people on feasible measures for resettlement and rehabilitation;
- Providing Project-affected persons with options for resettlement and rehabilitation;
- Providing compensation at full replacement cost for losses;
- Choosing relocation sites that provide, at a minimum, the same benefits and services as the sites they replace;
- Providing allowances, training and income support to assist in making a smooth transition;
- Identifying vulnerable groups and providing special assistance to these groups; and,
- Establishing an institutional and organizational structure that supports this process to a successful end.

2.2 Applicable Vietnam Laws and Regulations

For public investment projects using domestic budget, principles and policies on land acquisition, compensation and resettlement arrangement are stipulated by the Government on the basis of laws, decrees and decisions by the Government on land acquisition, compensation and resettlement, including the followings:

- The Constitution of Vietnam 2013;
- The Electricity Law 2012 No. 24/2012/QH13, approved by the National Assembly on 20th Nov., 2012 and took effective 1st July, 2013, regarding amendment and supplementation of some articles of Electricity Law, 2004;
- The Land Law 2013 No. 45/2013/QH13, approved by the National Assembly on 29th No., 2013 and put into force on July 1st, 2014;
- Decree 67/2007/ND-CP of April 13th, 2007 on support policies for social protection beneficiaries;
- Decree 13/2010/ND-CP of February 27th, 2010 amending and supplementing a number of articles of the Government's Decree No. 67/2007/ND-CP;

- Decree 43/2014/ND-CP issued on 15/5/2014 concretely guiding the implementation of some articles of the Land Law, 2014;
- Decree 44/2014/ND-CP issued on 15/5/2014 regarding land prices;
- Decree 45/2014/NĐ-CP, issued on 15/5/2014 and come into force on 1/7/2014, regarding land use fees;
- Decree 47/2014/ND-CP issued on 15/5/2014 on compensation, support and resettlement as land recovered by the state;
- Circular 57/2010/TT-BTC issued on April 16th, 2010 prescribing the estimation, use and settlement of funds for compensation, support and resettlement upon recovery by the State;
- Circular No. 23/2014/TT-BTNMT, issued on 19/5/2014 and come into force on 5/7/2014, regarding regulations on certificates of land use rights, ownership of houses and other assets attached to land;
- Circular No. 30/2014 / TT-BTNMT, issued on 06/02/2014 and come into force on 17/07/2014, regarding provisions on records of land allocation or land lease, changing purpose of land use, and land acquisition;
- Circular of MONRE No. 36/2014/TT-BTNMT dated on 30th June of 2014 on methods of land pricing, preparation and adjustment of land prices, detailed land pricing and land pricing consultation;
- Circular of MONRE No. 37/2014/TT-BTNMT, issued on 30/6/2014 and come into force on 13/8/2014 on compensation, assistance and resettlement upon the State land recovery;
- Circular No. 76/2014/TT-BTC, issued on 16/6/2014 and come into force on 1/8/2014, regarding directions of some articles of Decree 45/2014/NĐ-CP, dated 15/5/2014, on land use fees;
- Decision No. 1956/2009/QĐ-TTg, dated November 17 2009, by the Prime Minister approving the Master Plan on vocational training for rural labors by 2020.
- Decision No. 52/2012/QĐ-TTg, dated November 16 2012, on the support policies on employment and vocational training to farmers whose agricultural land has been recovered by the State.
- Other regulations or administrative decisions with bearing on specific resettlement plan including relevant decisions of Provincial People's Committees related to principles for compensation, assistance and resettlement in the event of land recovery by the State and PPCs' decisions on compensation unit prices for land and affected assets due to site clearance in the two provinces.

2.3 Gap Analysis

The recent legislation on resettlement of Vietnam tends to be more consistent with that of the World Bank, but there still exists some discrepancies required particular attention. The differences between the Government's Laws and Decrees and World Bank Policies with regard to resettlement and compensation, and how to address these gaps are shown in Table 1.

As a World Bank member country, the Government of Vietnam has committed that, should the international agreements signed or acceded to by Vietnam with the World Bank contain provisions different from those in the present resettlement legal framework in Vietnam, the provisions of the international agreements with the World Bank shall prevail. This RPF confirms that in approving this instrument, the Government of Vietnam and the Province/City People's Committee, grant the waivers to the relevant articles in various Vietnamese laws that contradict or are not consistent with the objectives set forth in this RPF. The measures taken to

Vietnam Energy Efficiency for Industrial Enterprises Project
Resettlement Policy Framework (RPF)

address the differences and comply with World Bank involuntary resettlement policies are addressed under this RPF.

Table 1. Comparison of Vietnam's and World Bank's Policies related to Involuntary Resettlement

| Subjects | Bank's OP 4.12 | Government Policies of Vietnam | Project Measures |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Land Property | | | |
| <i>Policy objectives</i> | <i>DPs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher</i> | Resettlement site and its infrastructure should have equal or better development conditions than those in the existing one. | Livelihoods and income sources will be restored in real terms, at least, to the pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher. |
| <i>Support for affected households who have no recognizable legal right or claim to the land they are occupying</i> | <i>Financial assistance to all project affected persons to achieve the policy objective (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher)</i> | Financial assistance provided at different levels depending on the "legal" status of affected persons | Financial assistance of an agreed amount will be given to all DPs, regardless of their legal status, until their livelihoods and standards of living restore in real terms, at least, to pre-displacement levels. |
| <i>Compensation for illegal structures</i> | <i>Compensation at full cost for all structures regardless of legal status of the DP's land and structure.</i> | Provided to cover the new structure costs. Depending on the "illegality status" attributed, covering between 80% and 0% of the total costs | Compensation at full replacement cost will be given for all structures affected, regardless of legal status of the land and structure. |
| Compensation | | | |
| <i>Methods for determining compensation rates</i> | <i>Compensation for lost land and other assets should be paid at full replacement costs,</i> | Compensation for lost assets is calculated at price close to transferring the assets in local markets or the cost of newly-built structures. Provincial governments are granted to annually set up compensation prices for different categories of assets | Independent appraiser identifies replacement costs for all types of assets affected. Provincial government will use this assessment to establish the compensation rates at full replacement. |
| <i>Compensation for loss of income sources or means of livelihood</i> | <i>Loss of income sources should be compensated (whether or not the affected persons must move to another location)</i> | Assistance in respect of income loss is given only for registered businesses. For affected persons losing agricultural land, additional financial support will be provided. | All income losses are to be compensated and, where necessary to achieve the objectives of the policy, development assistance in addition to compensation will be provided. |

Vietnam Energy Efficiency for Industrial Enterprises Project
Resettlement Policy Framework (RPF)

| Subjects | Bank's OP 4.12 | Government Policies of Vietnam | Project Measures |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Compensation for indirect impact caused by land or structures taking</i> | <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.</i> | Not addressed. | Socio-economic assessment has been undertaken and measures identified and being implemented to minimize and mitigate adverse impacts, particularly upon poor and vulnerable groups. |
| <i>Livelihood restoration and assistance</i> | <i>Provision of livelihood restoration and assistance to achieve the policy objectives.</i> | Livelihood restoration and assistance measures are provided. No follow-up for full livelihood restoration after resettlement completion. | Provision of livelihood restoration and assistance measures to achieve the policy objectives. These will be monitored as detailed in the RP |
| <i>Consultation and disclosure</i> | <i>Participation in planning and implementation, specially confirming the eligibility criteria for compensation and assistance, and access to Grievances Redress Mechanisms</i> | Limited mostly to information sharing and disclosure. | Consultation and participation incorporated into RP design, along with information sharing with DPs and stakeholders. Priority will be given to the participation of women in the consultation processes. |
| <i>Grievance redress mechanism</i> | | | |
| | <i>Grievance redress mechanism should be independent</i> | The same governmental body makes decisions on compensation and resettlement, and also handles grievances at the first step; | Independent Grievance and Redress mechanisms are to be established, built on the existing governmental system, with monitoring by an independent monitor. |
| <i>Monitoring & Evaluation</i> | | | |
| | <i>Internal and independent monitoring are required</i> | There is no explicit requirements on monitoring, including both internal and independent (external) monitoring | Both internal and external (independent) monitoring is to be regularly maintained (on a monthly basis for internal and bi-annual basis for independent monitoring). An end-of-project report will be done to confirm whether the objectives of OP 4.12 were achieved. |

SECTION 3. RESETTLEMENT PRINCIPLES

3.1 General Principles

Based on the WB's OP 4.12 and Vietnamese Laws, the following principles would be applied in the RPF. Subproject developers would be required to ensure that these principles are fully complied with in preparation of subproject proposals which involve land acquisition and resettlement.

- Plans for acquisition of land and other assets and provision of rehabilitation measures will be carried out in consultation with the DPs (with particular attention to vulnerable DPs), to minimize the disturbance and shorten the resettlement transition period. The rehabilitation measures will be provided to the DP's prior to the expected start-up date of works in the respective project sites.
- Compensation for all residential, commercial, or other structures will be offered at the replacement cost, without any depreciation of the structure and without deduction for salvageable materials. Structures shall be evaluated individually. Any rates set by category of structure must use the highest value structure in that group (not the lowest).
- The DPs will be provided full assistance (including a transportation allowance) for transportation of personal belongings and assets, in addition to the compensation at replacement cost of their houses, lands, and other properties.
- The compensation rates will be determined based on the results of independent land/assets appraisal in a timely and consultative fashion. All fees and taxes on land and/or house transfers will be waived or otherwise included in a compensation package for land and structures/houses or businesses. The local authorities will ensure that DPs choosing relocation on their own obtain, without additional cost, the necessary property titles and official certificates commensurate with similar packages provided to those who choose to move to the project resettlement sites.
- Land will be compensated "land for land" or in cash according to the DP'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. Those losing 20% or more of their land will have to be assisted to restore their livelihood. The same principles apply for the poor and vulnerable people losing 10% or more of their productive landholding.
- DPs that prefer "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 the difference between their lost land and the land plots provided. The resettlement area will be planned properly and implemented in consultation with the DPs. All basic infrastructures, such as paved roads, sidewalks, drainage, water supply, and electricity and telephone lines, will be provided.
- DPs that prefer "cash for land" will be compensated in cash at the full replacement cost. These DPs will be assisted in rehabilitating their livelihoods and making their own arrangements for relocation.
- If, by the end of the project, livelihoods have been shown not to be restored to pre-project levels, additional measures should be considered.
- Financial services (such as loans or credits) will be provided to DPs, if necessary. The

installment amounts and the schedule of payments will be within the repayment capacity of DPs.

- Additional efforts, such as economic rehabilitation assistance, training and other forms of assistance, should be provided to DPs losing income sources, especially to vulnerable groups in order to enhance their future prospects toward livelihood restoration and improvement.
- The previous level of community services and resources, encountered prior to displacement, will be maintained or improved for resettlement areas.
- Contractors can only commence civil works after (i) the governmental competent agency has satisfactorily completed compensation payments and rehabilitation assistances in accordance to approved RP for that sub-project; (ii) already-compensated DPs have cleared the area in a timely manner; and (iii) the area is free from any encumbrances.

Temporary Resettlement

Relocation of any households more than once should be avoided, because it leads to DPs being impacted twice or more and will slow down the livelihood restoration time. If it must happen, these households should be considered for additional benefits as they have been impacted twice. If the implementing agency has verified that temporary resettlement is unavoidable for such reasons as the final resettlement is subject to the temporary resettlement (e.g., construction of the resettlement site will not take place until the DPs are temporarily relocated) and an implementation plan for the final resettlement is agreed by the DPs and approved by District People's Committee (DPC) or Provincial People's Committee (PPC) and the Bank, then an additional assistance package is offered.

3.2 Eligibility Criteria

The eligibility for obtaining entitlements to compensation is generally built upon three concepts relating to asset ownership as follows:

- Those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country) – in the instance, it is also useful to document how long they have been using the land or the assets associated with it;
- Those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets, provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan;
- Those who have no recognizable legal right or claim to the land they are occupying.

Persons covered under (i) and (ii) are provided compensation for the land they lose, and other assistance. Persons covered under (iii) 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. All persons included in (i), (ii), or (iii) are provided compensation for loss of owned or used assets other than land.

Project affected people

People directly affected by a project through the loss of land, residences, other structures, business, assets, or access to resources, specifically are:

- Persons whose agricultural land will be affected (permanently or temporarily) by the Project;

- Persons whose residential land/houses will be affected (permanently or temporarily) by the Project;
- Persons whose leased-houses will be affected (permanently or temporarily) by the Project;
- Persons whose businesses, occupations, or places of work will be affected (permanently or temporarily) by the Project;
- Persons whose crops (annual and perennial)/ trees will be affected in part or in total by the Project;
- Persons whose other assets or access to those assets, will be affected in part or in total by the Project; and
- Persons whose livelihoods will be impacted (permanently or temporarily) due to restriction of access to protected areas by the Project.

Identification of vulnerable groups or Households (HHs)

Vulnerable groups include those distinct groups of people who might suffer disproportionately or face the risk of being marginalized by the effects of resettlement, and specifically include:

- Poor and very poor household as identified by regulations of Government of Vietnam;
- Ethnic Minority Household;
- Household covered in Decree 47/2014/ND-CP of May 15th, 2014 of the Government regulating on compensation, support and resettlement upon land expropriation by the State and decision No. 64/2014/QD-TTg of November 18th, 2014 on specific policies on relocation and resettlement of people in areas under irrigation and hydropower projects.

Eligible affected households after the cut-off-date

Those households splitting from the large families after the cut-off-date who meet the following conditions will be eligible for resettlement benefits as stand-alone households and are recognized as DPs:

- Households splitting from a family with minimum of two couples and having minimum of six persons; and
- Endorsement by the District authority, with verification of commune's People's Committee, the household has split.

Newly born children, spouses of persons named in the household registration books, people who have completed military service, and people who have just returned from schools to live with the affected households prior to the cut-off date will be entitled to the compensation and support measures outlined in this document.

3.3 Policies of Compensation

3.3.1 Compensation Policies for Loss of Houses/Structures

Policy for loss of Houses

Compensation or assistance in cash will be made for all affected private-owned houses/structures, at 100% of the replacement costs for materials and labor, regardless of whether or not they have title to the affected land or a construction permit for the affected structure. The compensation will be sufficient to rebuild the affected house/structure of the same quality. As per OP 4.12 cash compensation will be at full replacement cost in local markets. No deductions will be made for depreciation or salvageable materials.

If the house/structure is partially affected, a financial assistance will be provided to enable

DPs to repair the affected house/structures to restore it to the former condition, or better, at no additional cost to them.

Policy for loss of Graves

Compensation for the removal of graves/ tombs will include the cost of excavation, relocation, reburial and other related costs which are necessary to satisfy customary requirements. Compensation in cash will be paid to each affected family or to the affected group as a whole as is determined through a process of consultation with the affected community. The level of compensation will be decided in consultation with the affected families/communities. Household and individual graves are considered physical cultural resources (PCR) and even though the costs associated with their relocation may be covered in the resettlement plan, the WB OP 4.11 on Physical Cultural Resources should be triggered and relevant cross references should be made to the Environmental Management Plan or project implementation manual.

Tenants

The tenants of state or organization's houses will be: (i) entitled to rent or buy a new apartment of the area at least equal to their affected one if affected people have a demand for; or (ii) provided an assistance equal 60% of replacement cost of the affected land and houses. The structure created by the DPs themselves will be compensated at their full replacement costs.

The tenants who are leasing a private house for living purposes will be provided with transportation allowance for moving assets, as well as will be assisted in identifying alternative accommodation.

3.3.2 Compensation Policies for Loss of Agricultural Land

Land Users without formal or customary recognized rights to the affected land

Instead of compensation, these DPs will receive rehabilitation assistance up to 100% of the land value in cash. DPs will be entitled to rehabilitation measures mentioned above to ensure their living standards are restored.

In case the land is rented through civil contract between individuals, households, or organizations, then the compensation for crops, trees, or aquaculture products will be paid to the affected land users and the project client shall assist the renter to find similar land to rent.

In cases when DPs utilize public land (or protected areas), with an obligation to return the land to the Government when requested, the DPs will not be compensated for the loss of use of the land. However, these DPs will be compensated for crops, trees, structures and other assets they own or use, at full replacement cost. Although they cannot reside in such public VEEIEs Project: Resettlement Policy Framework safety-hazard areas, if access has not been denied previously through well-documented signs and such things as fences, the social and baseline assessment should consider if such a physical impediment (like a newly restricted public safety area) is causing loss of livelihood due to people no longer being able to get to jobs and other assets associated with their subsistence as a result of restricted safety zone definition, which may for example add significant cost to traveling from home to business, schools, etc.

Legal and Legalized Land Users

If the lost area represents less than 20% of a Household's (HH's) land holding (or less than 10% for poor and vulnerable groups), and the remaining area is economically viable, compensation in cash will be at 100% replacement cost for the lost area.

If the lost area represents 20% or more of the HHs' land holding, (or 10% or more for the poor and vulnerable groups) or the remaining area is economically not viable, then "land for land" compensation should be considered as the preferred option.

- If no land is available, then IEs must demonstrate this to the World Bank's satisfaction

before proceeding.

- If land is not available, or if the DP prefers cash compensation, then cash compensation will be provided for the lost area at 100% of land replacement cost, and the DP will be provided with rehabilitation measures to restore the lost income sources, such as agricultural extension, job training, credit access, provision of non-agricultural land at a location appropriate for running off farm business or services.
- If the DPs wish, and there is land of similar value elsewhere, the project should also assist these DPs to visit these areas and help with legal transactions should they wish to acquire them.
- For agricultural land lying intermixed with residential areas, and garden and pond land lying adjacent to residential areas, apart from compensation at the price of agricultural land having the same use purpose, monetary support shall also be provided; with the prices for such support being equal to between 50% and 70% of the prices of adjacent residential land; and with the specific support levels being decided by the Provincial People's Committees (PPC) to suit local conditions.

Land Users without formal or customary recognized rights to the affected land

Cash compensation at the amount corresponding to the remaining investment put on the land or corresponding to the remaining value of the land rental contract, if it exists.

For DPs currently using land assigned by State-owned agricultural or forestry farms on a contractual basis for agricultural, forestry, or aquaculture purposes (excluding land under special use forests and protected forests), compensation shall be provided for investments made on the land, but not for the land itself, and these DPs may also receive additional support according to the following provisions:

- Additional monetary support shall be provided for DPs that receive land on a contractual basis and are public employees or workers of State-owned agricultural or forestry farms, or who are former employees of such farms and who are now receiving an allowance related to their former employment. The highest level of additional monetary support shall be equal to the price of land to be compensated, calculated on the basis of the value of the affected land area which shall, however, not exceed the local agricultural land assignment limits. The PPC shall decide on the specific support levels to suit the local conditions but the additional monetary support shall not be less than 70% of the compensation value for the land actually acquired.
- Where DPs receive land on a contractual basis but are other than the individuals specified at (a) above, they shall only receive compensation for investments made on the land.

3.3.3 Compensation for Loss of Residential Land

Loss of residential land without associated structures

Compensation for loss of land in cash at replacement cost to legal and/or “localizable” land users. For land users who have no recognizable land use right, financial assistance of an agreed amount will be provided. The amount will be determined by the respective Provincial People’s Committee.

Loss of residential land with associated structures and the remaining land is sufficient to rebuild the structure (reorganizing DP)

Compensation for loss of land will be made in cash at (i) full replacement cost for legal and legalized land users; (ii) Financial assistance of an agreed amount will be provided to land users who do not have recognizable land use rights. If DPs have to rebuild their houses, they will be provided with a rental allowance for a period of 3 months while their houses are being

rebuilt.

Loss of residential land with associated structures and the remaining land is insufficient to rebuild the structure (relocating DP)

Other than specific provisions listed below, in case where relocated DPs belong to vulnerable groups, the project will consider providing them with additional assistance (in cash and kind) to ensure that they can afford to be relocated to a new site.

For DPs who have legal or legalized rights to the affected land:

- A land plot of equivalent size and quality, in a well-developed resettlement site. Where land is not available, an apartment will be provided to the DP. This will be done in consultation with the DP. Full ownership title to the land or apartment will be given at no cost to the DP.

OR,

- On request of and with full consultation with the DP, cash compensation at full replacement cost, plus the amount equivalent to the value of the infrastructure investments calculated as an average for each household in a resettlement site. In this case, the household will be expected to relocate themselves.

In the event that the compensation (or assistance) amount accounts less than the cost of a land plot in the project's resettlement site, DPs will be supported with the difference required for the acquisition of the land plot. If a land plot in the project resettlement site is not the chosen DP's option, cash assistance will be provided equivalent to the difference required to acquire a chosen land plot.

DPs who do not have formal or customary rights to the affected land:

- Financial assistance of an amount to be determined by provincial People's Committee will be given.
- If the DP has no place to move, a land plot or an apartment satisfactory to them will be provided in the resettlement site.

In case the relocated DPs belong to poor or vulnerable groups or households, additional assistance (in cash and kind) will be provided to ensure that they are able to fully relocate to a new site.

3.3.4 Compensation Policy for Loss of Standing Crops and Trees

For annual and perennial standing crops, regardless of the legal status of the land, compensation will be paid to the affected persons, who cultivate the land, according to the full market value of the affected crops and/or at replacement cost for affected perennial trees. Regarding the removable affected trees, the compensation will be equal to the transportation cost plus actual loss. Perennial crops will be compensated for at the calculated value of their life time productivity.

3.3.5 Damages to Private or Public Structures

Damaged property by contractor will be restored by contractors immediately at full replacement value, after completion of civil works, to its former condition. Under their contract specifications, the contractors will be required to take extreme care to avoid damaging property during their construction activities. Where damages do occur, the contractor will be required to pay compensation immediately to affected families, groups, communities, or government agencies at the same compensation rates that are applied to all other assets affected by the Project.

Compensation for loss of community assets such as schools, bridges, factories, water sources, roads, sewage systems is damaged, the project will ensure that these will be restored

or repaired at no cost for the community and to the community's satisfaction.

3.3.6 Compensation Policy for Loss of Income and/or Business/Productive Assets

For DPs losing income and/or business/productive assets as a result of land acquisition, the mechanism for compensating will be:

- The registered non-farm producer/business DPs, who have income-generating and/or business/productive assets affected, will be given cash business assistance for the loss of business income, equivalent to 50% of the annual average for the last 3 years net income. (This amount is equivalent to 100% of monthly net income for 6 months).
- The non-registered business or non-farm producer DPs, whose operations are recognized by local authority and who have income and/or business/productive assets affected, will be given assistance in cash for the income losses for three months at the minimum.
- If the business has to be relocated, then, a priority to provide a replacement business site accessible to customers, or, compensation in cash for the affected area at a replacement cost, plus transportation allowance to remove movable attached assets. If there is no land available, then the business/non-farm producer DPs will be entitled for rehabilitation measures such as job training, credit access to help restore the income sources.

3.3.7 Compensation Policy for Temporary Impact during Construction

In the event of temporary impact during construction, DPs are entitled to the following:

- Compensation for all affected assets/investments made on the land, including trees, crops etc., at full replacement cost;
- Cash compensation for land temporarily acquired in the form of rent which is at least equivalent to the net income that would have been derived from the affected property during the period of disruption.

3.3.8 Secondary DPs

This applies to those affected by development of individual resettlement or group resettlement sites. Because all secondary DPs are likely to be affected in similar ways as primary ones, they will be entitled to compensation and rehabilitation assistance in accordance with the same respective provisions for all other DPs.

3.3.9 Allowances and Rehabilitation Assistance

Compensation may be sufficient to allow displaced persons to restore incomes if paid at replacement cost, assuming that replacement assets are available. Often, however, resettlement may require displaced persons to obtain new skills required for resuming production in a new environment, or to pursue new sources of income. The RP should assess the significance of impacts to be imposed on displaced persons, and provide measures to assist those significantly affected in adapting to new livelihood challenges. Measures may include training, extension services, or employment, along with responsibility for providing them. Training activities should be followed by non-temporary employment opportunities. These measures should be specified in the RP.

SECTION 4: PREPARATION AND CLEARANCE OF RESETTLEMENT PLAN DURING THE PROJECT IMPLEMENTATION

During subproject preparation, the developers would, based on the land acquisition requirements, carry out preliminary screening to identify the types and extent of impacts. Once it is determined that land acquisition or any associated impacts is essential to complete any project activities, resettlement planning should begin.

The overall responsibility for preparation and implementation of any necessary RPs rests with sponsors of individual subprojects. The subproject owner will carry out, or cause to be carried out, a census survey to identify and enumerate all displaced persons, and a socioeconomic survey to determine the range and scope of adverse impacts in the affected area. The census survey must cover 100% of the persons to be displaced; the socioeconomic survey may be undertaken on a sample basis.

Based on accurate baseline census survey and social economic survey, the RP (full resettlement plan or abbreviated resettlement plan) will be prepared in accordance with the policy principles and planning and implementation arrangements set forth in this RPF, and established appropriate mitigation measures as appropriate for all categories of adverse impacts. Each RP will include, among others: description of the subproject; census and baseline socioeconomic characteristics of the DPs; details of impacts on assets, livelihood and incomes; eligibility; valuation and compensation for losses; suggested mitigation measures; site selection, site preparation and relocation, where necessary; income rehabilitation measures; Grievance Redress mechanism; implementation schedule; and estimated resettlement cost.

Draft version of RPs will be prepared by IEs and reviewed by PFIs, PMBs and be submitted to the World Bank for review and clearance before the subproject appraisal. Activities described under the RPs will only be implemented after the World Bank has found acceptable the respective resettlement instruments and the governmental competent agencies have approved it. The compensation, resettlement and rehabilitation activities will be completed before awarding the contracts of civil works under each sub-project. All resettlement plans are subject to public consultation and must be disclosed per requirement in The World Bank's policy.

SECTION 5: CONSULTATION, PARTICIPATION AND DISCLOSURE

To promote active project engagement and adaptation to changed living circumstances, displaced persons should be provided with opportunities to participate in planning and implementation. At minimum, displaced persons should be consulted on preferences and concerns during the resettlement planning process. All displaced persons are to be informed regarding potential impacts and proposed mitigation measures, including compensation rates. Participation and consultation activities will be continuously conducted throughout various phases of the RPs implementation (e.g. planning, implementation, monitoring). The consultation methods will be tailored to each targeted group, including (but not limited to) participatory rapid appraisal, stakeholder consultations through site and household visits, public meetings, focus group discussions and the household socioeconomic survey. The participation of women in consultation process will be prioritized. The RP will include a dedicated section with more detailed description on strategy/plan for consultation, participation and disclosure.

Local authorities, affected communities will also be informed about the project proposal, its objectives and proposed activities, at an early stage of project preparation. The key discussion points will be focused on the development needs and priorities of local locality and their perception toward the project objectives. As required in OP 4.12, The RP will be disclosed, in a manner and location accessible to displaced persons while in draft, and subsequently disclosed again following finalization. To the extent possible, the implementing agencies will made social safeguard instruments publically available through newspaper, leaflets, local radio to ensure a wide access to this information.

PMB is responsible for establishing and maintaining suitable tools/instruments to ensure that all activities related to consultation, participation and disclosure will be properly tracked and documented.

SECTION 6: IMPLEMENTATION ARRANGEMENTS

6.1 Institutional Arrangement

Institutional participation in preparing and implementing the RPF and RPs is arranged as follows:

| Institution | Responsibility |
|--------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| PFIs (Participating Bank)/WB | <ul style="list-style-type: none"> - Receive of technical proposals together with necessary endorsements from the provincial authorities and other institutions; - Carry out due diligence of the subprojects to ensure that the project developers (investors) have conducted necessary studies and prepared the documents in accordance with the provisions of the RPF; - Carry out necessary monitoring of subproject implementation |
| Project Management Board (PMB) under GDE of MOIT | <ul style="list-style-type: none"> - Initiate and manage all other Technical Assistance activities under VEEIEs; - Manage all relevant contracts, capacity building at commercial banks and developers; - Assist the project implementation process by creating a pool of qualified consultants to support safeguard document preparation and subproject supervision; - Overall manage VEEIEs including management of the verification process for the projects; monitor implementation progress and take corrective measures where needed; obtain required approvals from MOIT, the World Bank and MOF; and report to MOIT and the World Bank. |
| Industrial Enterprise (IEs) | <ul style="list-style-type: none"> - Prepare RPs in accordance with the RPF. Coordinate with the provincial People's Committees and local authorities to obtain consensus from provincial People's Committee for the RPs and submit them to the WB for review and clearance. - Develop and implement a training program for the provincial and district People's Committee's, relevant stakeholders involved in RP implementation and Grievance Redress. - Where relevant, provide technical support (e.g. consultation mobilization) in identifying the replacement cost to inform compensation rate during the RP implementation. - Secure timely availability of required budget for RP preparation and implementation; - Conduct internal monitoring of RP implementation as per requirements set out in the project's RPF and the RPs. - Prepare bi-annual progress reports and submit to PFIs and PMB and WB. - Designate staff with solid experience in resettlement and familiar with Bank's safeguard policies as a social focal point for PFIs. - Take part in compensation, support and resettlement council at local level and ensure that the agreed RPs are properly implemented, documented and reported. - Work closely with competent governmental agencies to address concern, grievances related to resettlement in their managed subprojects. |

| Institution | Responsibility |
|----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Commune People's Committees | <ul style="list-style-type: none"> - To organize propaganda on the land recovery purposes, compensation, support and resettlement policies of the projects; - To coordinate with the compensation, support and resettlement councils in certifying land and property of persons who have land recovered; - To join in, and create conditions for, the payment of compensation and support money to, and arrange resettlement for, persons who have land recovered, and create conditions for the ground clearance. |
| Provincial People's Committees | <ul style="list-style-type: none"> - To direct, organize, propagate and mobilize all organizations and individuals concerning compensation, support and resettlement policies and ground clearance according to the land recovery decisions of competent State bodies; - To direct the provincial/municipal services, departments, branches and district-level People's Committees: (i) To draw up resettlement and resettlement area plans in service of the land recovery; (ii) To draw up compensation, support and resettlement plans according to their competence; - To approve or assign the district-level People's Committees to approve compensation, support and resettlement plans; - To approve land prices; promulgate the property price tables for compensation calculation; prescribe support levels and supporting measures according to their competence; resettlement arrangement plans, job change training plans according to their assigned competence; - To direct the concerned agencies to settle citizens' complaints, denunciations related to compensation, support and resettlement according to their law-prescribed competence; - To guarantee impartiality and equity when considering and deciding on the compensation, support and resettlement when land is recovered by the State according to their competence prescribed in this Decree; - To decide or assign the district-level People's Committees to apply coercion to cases of deliberately failing to abide by the State's land recovery decisions according to their competence; - To direct the examination and handling of violations in the compensation, support and resettlement domain. |
| The District People's Committees | <ul style="list-style-type: none"> - To direct, organize, propagate and mobilize all organizations and individuals concerning compensation, support and resettlement policies and ground clearance according to the land recovery decisions of competent State bodies; - To direct the compensation, support and resettlement councils of the same level to draw up, and organize the implementation of, the compensation, support and resettlement plans; approve the compensation, support and resettlement plans according to the responsibility assignment by the provincial-level People's Committees; - To coordinate with the provincial/municipal services, departments and branches, organizations and investors in executing investments projects to build and plans to create resettlement areas in their localities according to the assignment of the provincial-level People's Committees; |

| Institution | Responsibility |
|------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | <p>- To settle citizens' complaints, denunciations related to compensation, support and resettlement according to their assigned competence; issue coercive decisions and organizing coercion in the cases falling under their competence; coordinate with the functional agencies in organizing coercion according to the decisions of competent bodies.</p> |
| <p>The compensation, support and resettlement councils</p> | <p>- Assist the People's Committees of the same level in making, and organizing the implementation of compensation, support and resettlement arrangement plans; work on the collective principle and decide by majority; where the numbers of votes for and against are equal, the opinion of the side joined by the council chairman shall be followed.</p> <p>Responsibilities of council members are as follow:</p> <ul style="list-style-type: none"> • The council chairman shall direct the council members to make, submit for approval and organize the implementation of, the compensation, support and resettlement plan; • The investor shall be responsible for assisting the council chairman in making the compensation, support and resettlement plan, ensuring sufficient funds for timely payment of compensation, support and resettlement money; • Representatives of persons who have land recovered shall be responsible for reflecting the aspirations of persons who have land recovered, persons who must be relocated; mobilizing persons who have land recovered to move and clear the ground according to schedule • Other members shall perform the tasks as assigned and directed by the council chairman, suitable to their respective branches. • The compensation, support and resettlement councils shall be responsible for the accuracy and rationality of inventory statistics, the legality of land and property eligible or ineligible for compensation, supports in the compensation, support and resettlement |
| <p>Center for Land Fund Development</p> | <p>- To assume the prime responsibility for, or coordinate the with the compensation and ground clearance council in, organizing compensation and ground clearance;</p> <p>- To work and coordinate closely with project's stakeholders to update and implement RP as per project's RPF.</p> <p>- To provide compensation and ground clearance services;</p> <p>- To develop resettlement areas;</p> <p>- To build infrastructure on land funds assigned to it for management in order to organize auction;</p> <p>- To provide information on land prices and land funds to organizations and individuals upon request;</p> <p>- To assist the District People's Committee and Provincial People's Committee in disseminating information related to Resettlement Plan.</p> <p>- To assist the District People's Committee in handling complaints at district level.</p> <p>- To perform other tasks under decisions of the provincial-level People's Committee.</p> |

SECTION 7. GRIEVANCES REDRESS MECHANISM

RPs will establish means for displaced persons to bring complaints to the attention of relevant project authorities. Grievance procedures should include reasonable performance standards, e.g., time required to respond to complaints, and should be provided without charge to displaced persons. The RP should also state other avenues available to aggrieved persons if the project-related procedures fail to resolve complaints. Following mechanism could be considered.

The IE shall establish a complaints and grievances mechanism to receive and resolve the resettlement issues of project-affected communities/person based on principles such as (i) proportionality; (ii) accessibility; (iii) transparency; and (iv) cultural appropriateness. In order to minimize complaints, developers (via their assigned grievance focal point or grievance facilitation unit) will cooperate with the District Compensation Board/Center for Land Development Fund to participate in and consult on settling complaints. In case, there is no agreement between the parties and the project affected communities/person, complaints and grievances shall be submitted to official GRM system (to be developed in RP).

Local mass organizations such as Fatherland Front, Farmer's Union, Women's Union will be mobilized to participate actively in the process of resolving complaints, questions. The independent monitoring agency will be responsible for checking the procedures for and resolutions of grievances and complaints. The independent monitoring agency may recommend further measures to be taken to redress unresolved grievances. DPs will be exempted from all administrative and legal fees. Besides that, an escrow accounts 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 properly recorded, tracked and reported.

SECTION 8. SUPERVISION, MONITORING AND EVALUATION

In addition to internal project monitoring arrangements, the project owner will ensure that RP implementation will be monitored by a qualified agency independent of project implementing agencies. The RP should establish the scope and frequency of monitoring activities. External monitoring reports will be prepared for simultaneous submission to the project office and the World Bank.

A Resettlement Plan cannot be considered complete until a completion audit or survey confirms that all entitlements have been received by beneficiaries and livelihood restoration is progressing on schedule. If possible, the (internal/external) monitoring activities of RPs could be considered to be combined with similar action under Ethnic Minority Development Plan of the same subproject.

SECTION 9. RESETTLEMENT COST AND BUDGET

All costs associated with land acquisition and resettlement planning and implementation, including the cost of field investigations; surveys and documentation; consultation and participation; addressing grievances and complaints; monitoring and supervision; and coordination with the local authorities in regard to resettlement implementation would be covered by subproject developers. The estimated cost breakdown would be included in the resettlement plans and will be included towards the cost of the subproject. The implement cost estimates will make adequate provisions for consultancy services for implementation organization, design and inspection works, construction works and contingencies for resettlement area. This total project implementation cost will be included towards the cost of the subproject. In the case of cost overruns due to unforeseen circumstances or delays, the subproject developers will allocate additional funds as may be necessary.