

NATIONAL TOURISM AUTHORITY OF LAO PDR

MEKONG TOURISM DEVELOPMENT PROJECT



RESETTLEMENT FRAMEWORK (DRAFT)

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TABLE OF CONTENTS

1.	INTRODUCTION	1
1.1.	Resettlement Plans and Resettlement Framework.....	1
1.2.	Subprojects and Scale of Resettlement	1
2.	DEFINITION OF TERMS	3
3.	PROJECT PRINCIPLES AND OBJECTIVES.....	4
3.1.	Legal Framework.....	4
3.2.	Project Principles and Objectives.....	5
4.	SUBPROJECT RESETTLEMENT PLANS	7
4.1.	Short Resettlement Plan (SRP)	7
4.2.	Full Resettlement Plan (FRP)	7
4.3.	Preparation of Subproject Resettlement Plans	8
5.	ELIGIBILITY AND ENTITLEMENT.....	10
5.1.	Project Affected People (AP)	10
5.2.	Projects Impacts and Entitlements	10
6.	PEOPLE’S PARTICIPATION & GRIEVANCE MECHANISMS	17
7.	IMPLEMENTATION ARRANGEMENTS.....	18
7.1.	National Tourism Authority of Laos (NTAL)	18
7.2.	Project Implementation Office	18
7.3.	Resettlement Committees	19
7.4.	Local Administrative Authorities	20
7.5.	Lao Women’s Union and Local-Based Organizations.....	20
7.6.	Village Consultative Group.....	20
7.7.	Project Supervision Consultants.....	21
8.	RESETTLEMENT STRATEGIES	21
8.1.	Consultation and Disclosure of Resettlement Documents.....	21
8.2.	Updated RP	22
8.3.	Payment to APs and Assistance During Relocation.....	22
9.	IMPLEMENTATION SCHEDULE.....	23
10.	BUDGET ISSUES	24
11.	SUPERVISION, MONITORING AND EVALUATION	24
11.1.	Internal Monitoring	26
11.2.	External Monitoring and Post-Evaluation.....	27

Glossary

ADB	Asian Development Bank
AP	Affected Person
EA	Executing Agency
DMS	Detailed Measurement Survey
IOL	Inventory of Losses
Km	Kilometer
LAO PDR	LAO People's Democratic Republic
NTAL	National Tourism Authority of Lao PDR
Project	Mekong Tourism Development Project
PCRC/DCRC / VCRC	Provincial /District / Village Compensation and Resettlement Committee
RP	Resettlement Plan
SA	Social Assessment

1. INTRODUCTION

1.1. Resettlement Plans and Resettlement Framework

A Resettlement Plan has been prepared for each of the core subprojects that will be implemented during the first year for which there is a sufficient level of design to identify land acquisition impacts.

A Resettlement Framework has also been prepared for this Project because there are some subprojects for which there is insufficient level of design to be able to identify land acquisition impacts at this time and for which the selection and design will entail a community participation process. The Framework is based on ADB's *Policy on Involuntary Resettlement*¹ and *Handbook on Resettlement: A Guide to Good Practice* and will be applied to all subprojects where there will be land acquisition and resettlement. The Resettlement Framework presents the specific policies and guidelines to guide the process for land acquisition and resettlement.

The subproject Resettlement Plans will be prepared by the subproject implementing agencies with the assistance of the National Tourism of Lao PDR (NTAL).

1.2. Subprojects and Scale of Resettlement

Below are the four (4) subprojects in Lao PDR and the scale of resettlement:

a) Luang Namtha Airport Improvement

The existing airport runway is only 1,200m, which is 300m short of the 1,500m runway standard. In addition, the runway is in poor condition, full of patches, encroached with vegetation and lacks a drainage system. Thus, it is considered unsafe especially during the rainy season. At present, the airport is unable to receive ATR72 (70 seats) and only receives Chinese built YN7 (50 seat) and YN12 (12 seats).

This subproject aims to improve and extend the runway, construct a drainage system, passenger terminal and small control tower, and provide emergency and fire service equipment and air navigation services.

A Full Resettlement Plan for Lao: Airport Improvement Subproject has been prepared by the Provincial Government of Luang Namtha in close coordination with National Tourism Authority of Lao PDR (NTAL) and Civil Aviation Department of Lao PDR. About 110 families will be relocated to a

¹ Asian Development Bank, *Involuntary Resettlement*, Manila, 1995; also, Asian Development Bank, *Handbook on Resettlement: A Guide to Good Practice*, 1998.

fully serviced site within 1km of the present site due to the extension of the runway.

b) Pro-Poor Community Based Tourism Development Subproject

The Pro-Poor Community Based Tourism Development Subproject may require some minor land acquisition impacts for construction of small scale community tourism-related infrastructure such as community lodges, guesthouses, river piers, viewing points, and upgrading of walking trails. The selection of infrastructure and identification of zone of impact cannot be determined before appraisal due to lack of design and the need for a community participation process.

The Resettlement Framework will guide resettlement planning and preparation of a subproject resettlement plan for ADB approval during Project implementation.

c) Access Road Improvement to Kong Lo Caves

This subproject includes the upgrading of the 36km road which connects to Road 8a (connecting Lao PDR and Viet Nam) in the Khammouane province. The main attractions of the area are limestone formations and natural caves, including an 11.2km-long underground river. The area is not accessible by air and tourists travel by road which is in poor condition and becomes inaccessible during the rainy season.

The project includes upgrading of the 36km road and extension of electricity and small water supply systems in the project site.

A Short Resettlement Plan may be required for the Kong Lo Caves Access Road Improvement Subproject as the road passes through several villages, however, the impact will be minimal as the road will not be widened. Identification of the corridor of impact cannot be determined before appraisal due to impossibility of access during the rainy season. The detailed design will be undertaken during the first year of the Project and construction in the second year. The Resettlement Framework will guide resettlement planning and preparation of a subproject resettlement plan for ADB approval after detailed design.

d) Road Access Improvement to the Kwangsi Water Falls.

The Kwangsi waterfalls is located 29km south of the World Heritage sites of Luang Prabang. The proposed project includes upgrading of approximately 25km of access road with 50mm of asphalt concrete. It also includes extension of electricity, water supply and small infrastructure facilities such as toilets by the site and trekking trails around the site.

No Resettlement Plan is necessary for the Kwangsi Water Falls Access Road Improvement Subproject as it will not cause any land acquisition impact. In

the unlikely event that it does, however, any impacts will be addressed in accordance with the Framework.

2. DEFINITION OF TERMS

Resettlement Plan (RP) is a time-bound action plan with budget setting out resettlement strategy, objectives, entitlement, actions, responsibilities, monitoring and evaluation.

Affected Person (AP) indicates any juridical person being as it may an individual, a household, a firm or a private or public who, on account of the execution of the Project, or any of its components or subprojects or parts thereof would have their:

- (i) right, title or interest in any house, land (including residential, agricultural and grazing land) or any other fixed or moveable asset acquired or possessed, in full or in part, permanently or temporarily; or
- (ii) business, occupation, work, place of residence or habitat adversely affected; or
- (iii) standard of living adversely affected.

Severely Affected Person for this Project is defined as a person who will (a) lose more than 10 percent of total agriculture/aquaculture land holding, and/or (b) relocate and/or lose more than 50 percent of their main residential and/or commercial structure, and/or (c) lose more than 10 percent of total income sources due to the Project.

Land Acquisition means the process whereby a person is compelled by a public agency to alienate all or part of the land s/he owns or possesses, to the ownership and possession of that agency, for public purpose in return for fair compensation.

Replacement Cost means the cost of replacing lost assets and incomes, including cost of transactions. If land, it means the cost of buying a replacement land near the lost land with equal productive potential and same or better legal status, including transaction costs. If structures, the replacement cost is the current market value of building materials and required labor. Market prices will be used for crops, trees and other commodities.

Resettlement Effects mean all negative situations directly caused by the Project/subproject, including loss of land, property, income generation opportunity, and cultural assets.

Relocation means the physical relocation of an AP from her/his pre-Project place of residence or business.

Rehabilitation means the process to restore income earning capacity, production levels and living standards in a longer term. Rehabilitation measures are provided in the entitlement matrix as an integral part of the entitlements.

Compensation means payment in cash or in kind to replace losses of land, housing, income and other assets caused by a project.

Significant Resettlement Effect for each subproject means 200 people or more will experience major impacts. "Major" impacts being physical displacement from housing and/or more than 10 percent of the household's productive (income generating) assets are lost.

3. PROJECT PRINCIPLES AND OBJECTIVES

The Resettlement Policy Framework for the Project has been built upon the laws of the Government of Lao PDR, the ADB's *Policy on Involuntary Resettlement* (1995) and the Draft National Resettlement Policy².

This Project will be bound by the principles and conditions stated in the Resettlement Framework that will be approved by the ADB and NTAL. *In case of discrepancies between the Government's and ADB's policies and procedures, ADB's policies and procedures shall apply.* The principles and objectives are to ensure that all APs will be compensated for their losses at replacement cost and provided with rehabilitation measures in order to assist them to improve, or at least maintain, their pre-project living standards and income earning capacity.

3.1. Legal Framework

The legal context in Lao PDR has been changing rapidly over the last few years. A constitution was introduced in 1991, forestry and water resources laws in 1996 and land law in 1997. While they are subject to interpretation, the various legislative initiatives provide a legal foundation for the consideration of resettlement and compensation.

a) On Land, No. 001 (April 2, 1997)

Article 5: The State protects the legal rights and benefits of those who have effectively received the right to use land including the rights to transfer it.

Article 18: The district may grant the right to use agricultural land within its administration....

Article 63: The right of an individual to use land shall terminate when the State takes back the land for public interest.

² A Draft National Resettlement Policy was prepared by the Lao PDR Government in 1995 and presented by the Science, Technology and Environment Agency to the ADB RETA 5935 Regional Workshop on National Resettlement Policy Enhancement and Capacity Building at ADB Headquarters in 2002. The draft policy is the basis for a Ministerial decree on Resettlement that is being prepared under the Environment and Social Program Loan 1867-LAO, approved on 6 December 2001.

Article 70: When it is necessary to use an individual's land in the public interest, the State must make appropriate compensation for damages.

Article 71: In determining damages, there must be a Committee comprised of representatives of interested parties to determine the value of the damages.

b) Draft National Resettlement Policy

If approved, the Draft National Resettlement Policy would provide full compensation and rehabilitation at essentially the same levels required under the ADB's Policy on Involuntary Resettlement.

3.2. Project Principles and Objectives

For this Project, the basic principles and objectives are:

- a) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible.
- b) The census or inventory of losses to be carried out as part of the resettlement planning process for the infrastructure subprojects will represent the cut-off date for eligibility. Eligible persons are entitled to be provided with compensation and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels.
- c) Lack of formal legal rights to the assets lost will not bar APs from entitlement/compensation and to rehabilitation measures. No distinctions will be made between APs with and without formal legal title.
- d) Plans for acquisition of land and other assets and provision of replacement land and rehabilitation measures will be carried out in consultation with the APs to ensure minimal disturbance.
- e) Compensation rates for physical assets (land, house/building/other structures) and non-physical assets (lost income from productive assets or jobs) will be calculated at replacement cost or at current market value at the time of compensation.
- f) Compensation for houses and other structures will cover full replacement costs of materials and labor sufficient for APs to build their houses and structures of the same size and standard.
- g) Affected populations that stand to lose only part of their physical assets will not be left with a proportion that will be inadequate to sustain their

- current standard of living; such a minimum size being identified and agreed during the resettlement planning process.
- h) Affected populations will be systematically informed and consulted about the Project, the rights and options available to them and proposed mitigating measures, and to the extent possible be involved in the decisions that are made concerning their resettlement.
 - i) The consultative process will include not only those affected, but also representatives of the local governments of the areas in which the Project is located, host communities' community leaders, civil society organizations such as NGOs, and members of local people's organizations.
 - j) Existing cultural and religious practices will be respected and, to maximum extent practical, preserved.
 - k) Special measures will be incorporated in the resettlement plan to protect socially and economically vulnerable groups such as the ethnic minorities, women-headed households, children, and elderly people without support structures and people living in extreme poverty.
 - l) The previous level of community services and resources will be improved after resettlement.
 - m) There will be effective mechanisms for hearing and resolving grievances during the implementation of the Resettlement Plan.
 - n) All Subproject RPs will be reviewed by ADB prior to [subproject appraisal](#).
 - o) The compensation, resettlement and rehabilitation activities will be satisfactorily completed before a No-Objection from the ADB will be provided for award of contract of civil-works under each sub-component project.
 - p) The Executing Agency (EA) will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation and implementation of the land acquisition, compensation, resettlement, and rehabilitation program.
 - q) Where a host community is affected by the resettlement of others into that community, the host community will be involved in any resettlement planning and decision-making. All attempts will be made to minimize the adverse impacts of resettlement upon host communities.
 - r) Adequate budgetary support will be fully committed and made available to cover the costs of land acquisition and resettlement within the agreed implementation period. Owing to practices established under current Government procedures, clear budget commitments are required for critical activities such as formal detailed physical surveys

and administrative functions associated with compensation and resettlement.

- s) Appropriate reporting (including auditing and redress functions), monitoring and evaluation mechanisms, will be identified and set in place as part of the resettlement management system. An external monitoring group will be hired by the Project and the said group will evaluate the resettlement process and final outcome. Such groups may include qualified NGOs, research institutions or universities. Monitoring reports will be forwarded directly to the ADB.

Construction activities will not commence until the required lands have been fully acquired and the affected people are appropriately compensated and relocated and income restoration measures in place in accordance with the principles set out above.

4. SUBPROJECT RESETTLEMENT PLANS

Using this Project Resettlement Framework, a Resettlement Plan for each subproject will be prepared by the concerned implementing agencies. A Project Management Office and Resettlement Committees will be established to work closely with the APs, local administrative authorities and local based organizations. The subproject RPs prepared will be submitted to ADB for concurrence.

4.1. Short Resettlement Plan (SRP)

In cases where the impact of land and property acquisition by a subproject is insignificant³, a Short Resettlement Plan (SRP) will be prepared.

Each SRP would, as necessary, summarize (i) the numbers affected and extent of losses; (ii) the policies and legal framework applicable; (iii) arrangements made for asset valuation, compensation, relocation, rehabilitation and environmental protection; (iv) responsibilities in delivering and monitoring entitlements; (v) costs; (vi) time frame for land acquisition and resettlement measures; and (vii) consultation and grievance mechanisms for APs.

4.2. Full Resettlement Plan (FRP)

In cases where the impact of land and property acquisition by a subproject are significant⁴, a Full Resettlement Plan (FRP) for that subproject will be prepared by the respective subproject implementing agencies in accordance with the provisions of this Resettlement Framework.

³ Impacts are considered insignificant if less than 200 people experience major impacts. "Major" impacts being physical displacement from housing and/or more than 10 percent of the household's productive (income generating) assets are lost.

Each FRP will address all the eleven (11) essential elements and objectives, policies and strategies mentioned in the *ADB's Policy on Involuntary Resettlement*, paragraph 39:" (i) organizational responsibilities, (ii) community participation and integration with host populations, (iii) census, inventory of lost assets and socio-economic survey; (iv) legal framework, including mechanisms for resolution of conflicts and appeals procedures; (v) identification of alternative sites and selection; (vi) valuation of and compensation for lost assets; (vii) land ownership, tenure and acquisition, and transfer; (viii) shelter, infrastructure and social services; (x) environmental protection and management; and (xi) implementation schedule, monitoring and evaluation".

4.3. Preparation of Subproject Resettlement Plans

Preparation of Subproject Resettlement Plans involves community participation. With the assistance of the NTAL, the subproject implementing agencies will work closely with the APs and concerned local administrative authorities, resettlement committees, and community organizations throughout the various stages of the RPs, i.e., from preparation to monitoring of RPs.

In the planning stage of the subproject, the following steps may be followed:

Step1: Based on the preliminary subproject design, identify which of the following categories applies to the subproject: (a) no resettlement effect; (b) insignificant resettlement effect; (c) significant resettlement. Both (b) and (c) require preparation of an RP.

Note that the term "resettlement effect" includes the loss of crops and incomes in addition to physical relocation of APs. While subprojects will be designed according to the principle of avoidance, in cases where resettlement is unavoidable, the subproject will identify all effects and mitigation measures in the subproject RP. The entitlement policy outlined in this Resettlement Framework will apply.

Step 2: In further refining the subproject physical design, consult with potential APs and engineers to avoid and minimize, as far as possible, resettlement effects. For subproject roads, for example, this might involve realigning and adjusting the pavement width and alignment and associated drainage works.

Step 3: For subprojects falling under categories (b) and (c) above, an inventory of losses and census survey of all potential APs will need to be carried out as part of the social assessment (SA). This should include the socio-economic data of the APs and a record of accurate measurements of type and level of loss. The census survey establishes the cut-off date for the eligibility of entitlements. *ADB's Handbook on Resettlement* (1998) suggests the following data to be collected:

Data About APs:

- Total Number of APs
- Demographic, education, income and occupational profiles
- Inventory of all property and assets affected
- Socio-economic production systems and use of natural resources
- Inventory of common property resources if any
- Economic activities of all affected people, including vulnerable groups
- Social networks and social organization
- Cultural systems and sites

Data on land and the area:

- Map of the area and villages affected by land acquisition
- Total land area acquired for the project
- Land Type Land Use
- Ownership, tenure and land use patterns
- Land acquisition procedures and compensation rates
- Existing civic facilities and infrastructures

Step 4: In parallel to the AP census survey, continue consultation with APs to identify their preferences and any special needs to be addressed in the RP. In addition, information on market prices at replacement cost for land, crops and other assets needs to be collected from respective provincial, district, and commune authorities and the local market, so that the cost estimates for the RP will be provided.

Step 5: Prepare an RP. The Entitlement Matrix in this Resettlement Framework should be used for each subproject. In addition, specify the number of APs, the area of land affected, the number of other assets affected, and the compensation amount for each category.

Step 6: Present the draft RP at the public meeting for the subproject. Any comments made during the meeting need to be documented and considered for incorporation into the finalized RP.

Subproject Appraisal. One of the criteria for the subproject appraisal is that an RP is prepared where applicable. If an RP is developed, subproject implementing agencies will be required to forward the English translation of the RP to ADB for review before the subproject appraisal. If the social assessment and resettlement census survey for subprojects identify new categories of APs and types of loss that are not known at this time, the Resettlement Framework and its Entitlement Matrix will need to be revised accordingly by the subproject implementing agencies.

The database on APs, Socio-Economic Survey and Census and Inventory of Losses Forms will be attached to the RP document.

5. ELIGIBILITY AND ENTITLEMENT

The cut-off date of eligibility for entitlement is the date that the Census and Inventory of Losses (IOL) survey is completed. The subproject implementing agencies, together with the APs and concerned groups will agree on the exact schedule of the Census and IOL activities. The local communities will be informed prior to the start of the said activities.

Persons who encroach the area after the above cut-off date will not be entitled to compensation or any other form of resettlement assistance.

Experiences show that some cases of APs who were included in the census but have no legal title or rights to occupy the land are being forced or pressured to relocate by the implementing agencies prior to Project implementation without any compensation. Therefore, APs who have been included in the official census but have moved to new sites prior to Project implementation will still be entitled to the same amount of compensation and assistance as described in this section.

5.1. Project Affected People (AP)

The project affected people (AP) include the following persons to be identified during census where there is land, property, asset acquisition or resettlement involved:

- a) Persons whose **agricultural, residential, or commercial land** is in part or in total affected (temporarily or permanently) by the Project;
- b) Persons whose **houses and other structures** are part or in total affected (temporarily or permanently) by the Project;
- c) Persons whose **businesses or source of income** are part or in total affected (temporarily or permanently) by the Project;
- d) Persons whose **crops (annual and perennial) and trees** are affected by the Project; and
- e) Persons whose **other assets** are part or in total affected (temporarily or permanently) by the Project.

5.2. Projects Impacts and Entitlements

Entitlements for each type of APs are based on the types and levels of losses. Entitlement Matrix for the Project is shown in Table 1

A) Temporary Loss of Agricultural, Residential or Commercial Land (i.e. loss of use of land for a period less than one year e.g. during construction).

- a) No compensation for land if returned to original user. However, the Project will pay rent to APs during the temporary use of APs' land;
- b) Restoration of land to its previous or better quality by providing measures to improve land quality in cases of land being adversely affected or acidified;
- c) Cash compensation for loss of crops and trees at market prices and compensation for loss of net income from subsequent crops that cannot be planted for the duration of the lease; and
- d) If the disruption is more than one (1) year, APs have an option to (a) continue the temporary use arrangements or (b) sell affected land to the Project at full replacement cost.

B) Permanent Loss of Agricultural, Residential and Commercial Land

a) Agricultural land

- (i) Compensation will be through the provision of a "land-for-land" arrangements with full legal title to land and of equal productive capacity of the lost land satisfactory to APs. If APs opt for cash compensation, the amount will be equivalent to current market value. The APs will be free from taxes, registration and land transfer.
- (ii) If the impact on the land is minor or less than 10% of the total landholdings of APs, the AP may opt for cash compensation equivalent to the replacement cost at current market value of land.

b) Residential Land

- (i) Compensation will be through the provision of a "land-for-land" arrangements with full legal title to land and of equivalent size satisfactory to APs. If APs opt for cash compensation, the amount will be equivalent to current market value. The APs will be free from taxes, registration and land transfer.
- (ii) If the impact on the residential land is minor or less than the 10% of the total landholdings of APs, the AP may opt for cash compensation equivalent to the replacement cost at current market value of the affected land.

- (iii) If the residential land and/or structure is partially affected by the Project and the remaining residential land is not sufficient to rebuild the residential structure lost, then at the request of the APs, the entire residential land and structure will be acquired at replacement cost without depreciation. The threshold of insufficient remaining residential land is to be determined based on the consultation with APs.
- (iv) For relocating APs, the Project will provide transition and subsistence allowance.
- (v) All APs that are entitled to relocate to a fully serviced resettlement site will be provided full legal title to an equivalent plot of land.

c) Commercial Land

- (i) Compensation will be through the provision of alternative business or commercial site with full legal title to land and of equal size and accessibility to customers satisfactory to APs. If APs opt for cash compensation, the amount will be equivalent to current market value. The APs will be free from taxes, registration and land transfer.
- (ii) If the impact on the commercial land is minor or less than 10% of the total landholdings of APs, the AP may opt for cash compensation equivalent to the replacement cost at current market value of the affected land.
- (iii) If the commercial land and/or structure is partially affected by the Project and the remaining commercial land is not sufficient to rebuild the commercial structure lost, then at the request of the APs, the entire commercial land and structure will be acquired at full replacement cost. The threshold of insufficient remaining commercial land is to be determined based on the consultation with APs.

C) Houses, Private/Commercial Structures

- a) Compensation for affected houses, private/commercial structures at full replacement cost sufficient for APs to build a house/commercial structure of the same size and standard and without deduction for depreciation or salvageable materials.
- b) Tenants renting structures are entitled to three (3) months' rent at prevailing market rate in the area and assistance to identify alternative accommodation, transport allowance and transition allowance.

D) Crops and Trees

- a) Annual Crops – APs will be given two (2) months notice that the land on which their crops are planted will be used by the Project and that they must harvest their crops in time. If standing crops are ripening and cannot be harvested, eligible APs will be compensated for the loss of the unharvested crops at current market value.
- b) Perennial Crops and Trees – APs will be compensated for the loss of fruit and timber trees. The value will be calculated as the annual produce value multiplied by a five (5) years factor. This will compensate for lost income until the newly planted seedlings bear fruit. APs will be assisted in planting new trees.

APs will be awarded the full value of any lost crops where the plants are near or ready to harvest.

E) **Loss of Common Property Resources**

- a) Affected land will be replaced in areas identified in consultation with affected communities and relevant organizations.
- b) Restoration of affected community buildings and structures to original or better condition.
- c) If income loss is expected (e.g. irrigation, community forest, income from fishpond), the affected village will be entitled to compensation for the total production loss (over 3 years). This compensation should be used collectively for income restoration measures and/or new infrastructure.

F) **Materials Transport and Transition Subsistence Allowance**

- a) **Materials Transport Allowance.** Relocating APs will receive assistance in cash or in kind to transport household effects, new and salvageable materials to new sites.
- b) **Housing Transition Subsistence Allowance.** Relocating APs will receive a lumpsum of **1,200,000 kip** during transition. This is based on the existing paid labor for rice planting at 20,000 kip per day multiplied by **60 days** wages during the transition period for AP (the number of days may vary as it is estimated that it takes 2-3 months to rebuild the house at new sites).
- c) **Business Transition Allowance.** For relocating businesses without tax declarations such as shops or small restaurants, a lumpsum of **1,200,000 kip** (equivalent to 60 days wages) or equivalent to three (3) months provincial minimum wage, whichever is greater. For businesses with tax declarations, the amount will be calculated based on the business income tax statements that they could

provide multiplied by three (3) months (the number of months may vary, 3-6 months, depending on the type of structure and estimated time to rebuild a new one and re-establish business at the new site). All businesses will be notified 3-4 months in advance to relocate and rebuild new business structures at new sites. This will allow businesses to avoid disruption of operation and continue operating while they are rebuilding new structures at the new sites.

For employees, cash compensation for lost salary/wages for each day they cannot work while business is reorganizing at new site.

d) **Special Assistance for socially and economically vulnerable households.**

APs belonging to vulnerable groups including the very poor headed by the aged without support, women, disabled, or ethnic minorities are entitled to an additional special allowances amounting to 200,000kip based on identified needs and priorities. Households with more than one factor of vulnerability being entitled to a 200,000kip special allowance for each factor. For example, households who are very poor and with elderly household head would be entitled to 400,000kip. In addition APs will receive any necessary support to obtain replacement land and resettlement. Relocating vulnerable households will also be assisted in rebuilding their homes if traditional sources of community or family support are insufficient.

Table 1– Entitlement Matrix

Type of Loss	Entitled Persons	Compensation and rehabilitation measures	Implementation Issues
I. LOSS OF LAND			
A. Temporarily Affected Agricultural, Residential or Commercial Land	Legal owners or occupants identified during the census	Cash compensation for loss of income, standing crops and trees. Restoration of land to its previous or better quality by providing measures to improve land quality in cases of land being adversely affected or acidified.	If temporary disturbance is more than one (1) year, the APs have the option to sell the land to the Project at replacement cost at current market value.
B. Permanently Affected Agricultural, Residential or Commercial Land	Legal owners or occupants identified during the census	As a priority, compensation will be through "land for land arrangements" with full legal title satisfactory to APs. (for agricultural land – equal size and productive capacity ; for residential land – equivalent size ; and for commercial land – equal size and accessibility to customers). If APs opt for cash compensation, the amount will be equivalent to current market value. The APs will be free from taxes, registration and land transfer.	If the impact on land is minor or less than 10% of the total landholdings, APs may opt for cash compensation for the affected land equivalent to replacement cost at current market value.

Type of Loss	Entitled Persons	Compensation and rehabilitation measures	Implementation Issues
II. LOSS OF HOUSES & OTHER STRUCTURES			
Affected Houses, Private/Commercial Structures	Owners identified during the census Tenants renting houses/structures	a) Compensation at full replacement cost sufficient for APs to build a house of the same size and standard and without deduction for depreciation or salvageable materials. b) Tenants renting structures are entitled to three (3) months' rent at prevailing market rate in the area and assistance to identify alternative accommodation and transport allowance and transition allowance.	All relocating APs with permanent or temporary houses/structures are entitled to materials transport allowance.
III. LOSS OF CROPS AND TREES			
	Owner or person with customary usage rights	Annual Crops – APs will be given two (2) months notice that the land on which their crops are planted will be used by the Project and that they must harvest their crops in time. Cash compensation for loss of crops at annual produce current market value. Perennial Crops and Trees – APs will be compensated for the loss of fruit and timber trees. The value will be calculated as the annual produce value multiplied by a five years factor. This will compensate for lost income until the newly planted seedlings bear fruit.	If standing crops are ripening and cannot be harvested, eligible APs will be compensated for the loss of the unharvested crops at current market value. APs will be assisted in planting new trees.
IV. LOSS OF COMMON PROPERTY RESOURCES			
Common Property Resources	Affected communities or concerned government agencies	a) Restoration of affected community properties to at least previous condition; OR b) Replacement in areas identified in consultation with affected communities and relevant authorities; c) If income loss is expected (e.g. irrigation, community	The compensation will be used collectively for income restoration measures and/or new infrastructure

Type of Loss	Entitled Persons	Compensation and rehabilitation measures	Implementation Issues
		forest, community grazing land), the village is entitled to compensation for the total production loss (over 3 years).	
V. INCOME RESTORATION			
A. Materials Transport Allowance	FOR relocating APs that are required to move back or relocate to other areas	Assistance will be in cash or in kind to transport household effects, new and salvageable materials to new sites	Resettlement committees, in consultation with APs, will calculate the amount if cash compensation will be provided.
B. Housing Transition Allowance	For relocating APs that are required to move back or relocate to other areas	Lump sum of <u>1,200,000 kip</u> (equivalent to 60 days wages)	
C. Business Transition Allowance	For owners of business identified during census	<p>a) For relocating businesses without tax declarations such as shops or small restaurants, a lumpsum of 1,200,000 kip (60 days wages) or equivalent to three (3) months provincial minimum wage, whichever is greater.</p> <p>b) For businesses with tax declarations, the amount will be calculated based on the business income tax statements that they could provide multiplied by three (3) months (the number of months may vary, 3-6 months, depending on the type of structure and estimated time to rebuild a new one and re-establish business).</p> <p>c) For employees, cash compensation for lost salary/wages for each day they cannot work while business is reorganizing at new site. For employees, Cash compensation for lost salary/wages for each day they cannot work while business is</p>	All businesses will be notified 3-4 months in advance to relocate and rebuild new business structures at new sites. This will allow businesses to avoid disruption of operation and continue operating their business while they are rebuilding new structures at the new sites.

Type of Loss	Entitled Persons	Compensation and rehabilitation measures	Implementation Issues
		reorganizing at new site	
D. Special assistance for socially or economically vulnerable households	APs belonging to vulnerable groups including the very poor headed by the aged, women, disabled, or ethnic minorities	<p>A 200,000kip special allowance plus additional cash and other assistance based on identified needs and priorities, households with more than one factor of vulnerability being entitled to a 200,000kip allowance for each factor.</p> <p>In addition APs will receive any necessary support to obtain replacement land and resettlement. Relocating vulnerable households will also be assisted in rebuilding their homes if traditional sources of community or family support are insufficient.</p>	For example, households that are very poor and with elderly household head will be entitled to 400,000kip.

6. PEOPLE'S PARTICIPATION & GRIEVANCE MECHANISMS

In accordance with the ADB Policy, the APs will participate throughout the various stages of the planning and implementation of the RPs. The APs will be fully informed and closely consulted on resettlement and compensation options. [The draft RP will be presented to the stakeholders before subproject resettlement implementation.](#) The subproject implementing agencies will prepare and translate into Lao the Resettlement Framework and subproject RPs, especially its sections on (i) policies, and (ii) entitlements of all categories of AP. These documents in Lao language will be placed at important public places in the villages where copies will be obtained for an independent review and study.

Project Information booklets will also be prepared and distributed to all APs. Lessons learned from other development project show that APs are often asked for donations and/or "service fees" by Project staff, local officials or organizations. Thus, APs are obliged to share or contribute a portion of their compensation payment as part of the administrative requirements for compensation payment. To avoid this, it should be clearly written in the Public Information Booklet that APs are not allowed to give or donate a portion of their money to any officials/members of any Project staff, local authorities, and organizations.

Other means of disclosure will also be through radio and public meetings. The Project Resettlement Framework and subproject RPs will also be disclosed on ADB's website. Comments and modifications, as relevant, will be incorporated in the Resettlement Framework and updated RPs.

In terms of grievances, all APs have the right of appeal against any aspect of decisions made not in accordance with the RP or with commitments given to them, or on which they disagree with the level or manner of compensation, including land, house or shop or stall relocation and compensation.

The main objectives of the grievance procedure are to provide a mechanism to ensure that the compensation and resettlement programs have been implemented accurately and fairly, alleviating any adverse effects on APs, to mediate conflict and to avoid lengthy litigation that is unfair to APs and can delay the project. It also provides people who have objections or concerns about their assistance with an accessible and known procedure through which to raise their objections and have them resolved.

The APs will be made fully aware of their rights to grievance and the procedures by doing so verbally and in writing during consultation, survey and time of compensation. The APs may present their complaints to the concerned local administrative officials and the resettlement committees. The complaint will be filed first at the village level/committee and will be elevated to the highest or provincial level if the APs are not satisfied with the decisions made by the village and district levels/committees. Local administrative authorities and resettlement committees at each level will settle the complaint within 15 days. The APs will be exempted from all taxes, administrative and legal fees.

Experiences show that not all APs have writing skills and the ability to express grievances verbally. Therefore, the APs will be encouraged to seek assistance from family members, village heads, or community organizations in order to have their grievances recorded in writing and to ensure that all disputes are properly recorded and resolved in a participatory manner.

Every attempt will be made to settle the issues at the village level through community consultation, involvement of social and resettlement experts as required and concerned local-based organizations. All complaints and resolutions will be properly documented by the Project Implementation Office and concerned resettlement committees.

7. IMPLEMENTATION ARRANGEMENTS

7.1. National Tourism Authority of Laos (NTAL)

The National Tourism Authority of Laos (NTAL) is the primary executing agency for the Project and will work and coordinate closely with subproject implementing agencies. The NTAL will also provide technical assistance if necessary.

7.2. Project Implementation Office

The subproject implementing agencies will approve and allocate necessary RP budget, implement and monitor day-to-day RP activities, coordinate with civil works schedule, periodically supervise RP progress, and coordinate closely with NTAL for over-all Project program and schedule, concerned agencies for design and civil works, and local administrative authorities / resettlement committees for resettlement issues. The subproject implementing agencies will report directly to ADB.

A Project Implementation Office (PIO) will be established by each subproject implementing agency to ensure that all project-related activities, including RP activities are properly implemented. The PIO will be headed by a full-time Project Coordinator to coordinate, manage and supervise all Project and resettlement-related activities.

7.3. Resettlement Committees

Resettlement Committees will also be established at each subproject for over-all planning, approval, implementation and coordination of the subprojects including RP.

Together with the PIO, the resettlement committees will:

- hold consultation meetings with the APs and concerned groups;
- encourage community participation from project planning, implementation to monitoring;
- conduct census and Inventory and detailed measurement surveys;
- establish database of APs on socio-economic, physical losses, and income;
- determine the market rates /replacement cost for all kinds of loss incurred;
- act as grievance officers;
- carry out resettlement site development planning in consultation with APs;
- provide assistance to APs during compensation and relocation;
- prepare report regularly on progress and outstanding issues ; and
- monitor all RP activities.

A Village Resettlement Committee will only be established if there will be relocation involved. This will be composed of representatives from the APs, Village Chief, Village Land Office, Village Women's Union, Village Police and other village organizations such as farmers, youth, and village elders. The responsibilities of the VRC are, but not limited to, the following:

- ensure that all information regarding the project and RP activities are provided to APs;
- participate actively in all public meetings and consultations held by the Office of the Governor and provincial and district resettlement committees;

- encourage the participation of APs from project planning to implementation;
- act as grievance officers at the village level and will forward complaints to district resettlement committee if APs are not satisfied with the decisions;
- coordinate with the provincial and district resettlement committees on all project and RP-related activities;
- identify vulnerable groups (female-headed households, elderly, disabled) that will be needing special assistance during relocation).

7.4. Local Administrative Authorities

The concerned local administrative authorities play a very important role in the planning and implementation of resettlement-related activities. Their roles and responsibilities are to:

- Act as resettlement committee members;
- coordinate and work closely with the concerned resettlement committee at all levels and other departments in relation to the conduct of consultation, census and social surveys and resettlement-related activities;
- act as grievance officers and ensure that grievance are resolved;
- assist APs during the negotiation and compensation process;
- involve the local-based organizations to carry out the RP activities;
- certify the list of APs and sign compensation documents;
- monitor and register new settlers in the area. The local authorities will be responsible for informing residents and new settlers not to construct houses/structures in the areas where there will improvement/construction.

7.5. Lao Women's Union and Local-Based Organizations

Local-based organizations such as the Lao Women's Union, Farmers, Elders, Youth and Trade Union will represent the resettlement committees at all levels. They will actively participate in the planning and implementation of the RP and in the public information and consultation programs.

7.6. Village Consultative Group

Consultation and people's participation is integral in planning, management, monitoring and evaluation. The participation of APs during implementation of the RP and subsequent activities is even more critical than their participation in the planning phase. A Village Consultative Group (VCG) composed of all APs will be created to ensure their participation in the decision-making process during Project implementation. This group approach is an effective forum for expressing their individual and communal concerns and bringing them to the

notice of the Project management. The consultative group meetings will be held as and when necessary and at the village level. Members of the VCG will be appointed and will represent APs or act as liaisons in all meetings held at all levels to ensure that information and decision made during the said meetings will be conveyed to all APs during their regular consultative group meetings

7.7. Project Supervision Consultants

The Project Supervision Consultants will have a Social/Resettlement Expert to assist and supervise all social and resettlement-related activities. Their responsibilities are, but not limited to, the following:

- Work closely with the local authorities and resettlement committees at all levels on all resettlement-related activities;
- Assist in the conduct of the information campaigns and community participation;
- Assist in the verification of census, inventory of losses and detailed measurement survey activities;
- Check the accuracy of the AP database prepared and provide improvements if necessary;
- Assist in the preparation of an updated RP;
- Assist and improve if necessary, procedures for the coordination of resettlement and compensation activities;
- Ensure that grievances are addressed promptly and properly;
- Establish and implement liaison mechanisms to ensure proper technical and logistical support to PIOs, local administrative authorities, resettlement committees and concerned government departments;
- Establish and implement procedures for ongoing internal monitoring.

8. RESETTLEMENT STRATEGIES

8.1. Consultation and Disclosure of Resettlement Documents

During Project implementation, the Project Implementation Office and Resettlement Committees will:

- Continue to implement consultation and public participation of APs throughout the duration of the Project.
- Public Information Booklet [for each subproject](#) will be translated into Lao language and copies will be distributed to the affected communities [prior to subproject resettlement implementation](#). Other forms of information dissemination (radio, local newsletter) will also be used.
- Create a Project database to record all meetings, agreements, grievances and actions taken for proper documentation.

All consultation and public participation activities will be supported by the concerned departments, local administrative units and concerned groups.

8.2. Updated RP

During Project Implementation, the RP will be updated and a joint validation of losses and detailed measurement survey will be undertaken by the PIO and resettlement committees, together with the APs, local administrative authorities, VCG and local-based organizations to maintain transparency and participation throughout the compensation process. The compensation unit rates at replacement cost for land and other assets will be established and will be used as compensation rates for the Project.

Once replacement costs are established, the rates will be applied to the results of the joint validation of losses and detailed measurement survey to calculate entitlements for each AP. An "AP Compensation Form" will be prepared which details all types of losses with its equivalent established rates. These rates will be reviewed and updated on an annual basis during the course of Project implementation.

8.3. Payment to APs and Assistance During Relocation

PIO and Resettlement Committee will:

- a) Prepare individual "AP Compensation Form" which details all types of losses with its corresponding established compensation rates. This will also include all types of relocation assistance.
- b) Inform APs regarding payment schedule at least two (2) weeks in advance.
- c) Present to APs proposed compensation amount. Explain in detail APs' rights and entitlements based on Project policies and explain how compensation amount were calculated.
- d) Leave the "AP Compensation Form" to APs for further review and inform AP to decide and submit the form within fourteen (14) days.
- e) If compensation payment is acceptable to APs, process payment and inform APs of exact date of release of payment.
- f) Effect compensation payment. Copies of compensation payment documents will be provided to APs. Copies will also be provided to Project Supervision Consultants and external agency for monitoring and reporting.
- g) Prepare and update regularly list of APs containing date of payment made to the AP data base for proper recording and monitoring.

- h) Issue advance notification for land clearance upon receipt of compensation by APs.

APs will:

- a) Seek assistance from VCG, family members during the compensation process. APs will request for clarification and explanation, if there is any.
- b) Review carefully AP Compensation Form within fourteen (14) days. If APs are not satisfied with the proposed compensation payment or if there is disagreement between AP and PIO and resettlement committees, APs will file a complaint using the grievance process presented in this RP.
- c) Sign the said documents and acknowledge receipt of compensation payment if all compensation documents are in order.
- d) Request PIO and resettlement committee to reschedule day of payment if APs will not be available to claim compensation on the scheduled date.
- e) Obtain one (1) copy of all compensation forms.
- f) Clear the area within the specified time in order for construction works to begin.

CRC, local administrative authorities, local-based organizations will:

- a) Witness payment process based on the schedule made by DCRC.
- b) Ensure that APs are aware of their rights and entitlements.
- c) Document grievances if there is any.
- d) Sign as witness to the compensation activity.

9. IMPLEMENTATION SCHEDULE

Subproject Resettlement Plans will include detailed implementation schedules coordinated with the civil works schedule for the subproject. The schedule for all resettlement activities will be agreed and settled by all stakeholders before resettlement activities begin.

All subproject RPs will be reviewed prior to [subproject appraisal](#).

Satisfactory payment of compensation and provision of other rehabilitation entitlements and relocation, if that be the case, will be completed before a no

objection from ADB will be provided for award of civil works contract for each subproject.

Table 3: RP Implementation Schedule

Tasks	
Undertake consultation and participation programs and grievance redressals	To be carried out throughout the duration of the Project
Establish Provincial Project Office	Month 1 of Project Implementation
Establish Compensation and Resettlement Committees at all Levels	Month 1 of Project Implementation
Carry out joint verification of Assets and detailed measurement survey (DMS)	After detailed design
Update compensation rates and apply Project entitlements	Month 1 of Project Implementation
Update RP and obtain ADB concurrence	After joint inventory /DMS and replacement cost study
Present and Effect Compensation Payment to APs	After joint inventory /DMS and replacement cost study
Implement relocation and rehabilitation assistance	Upon receipt of payment of APs and before construction activities
Implement monitoring and post-evaluation programs	Internal monitoring to be carried out throughout the duration of the Project. External monitoring will be carried out during resettlement implementation. The external monitoring agency will report directly to EA and ADB every six (6) months during resettlement implementation and submit post-evaluation report one (1) year after implementation of resettlement activities.

10. BUDGET ISSUES

Adequate budgetary support will be fully committed and made available to cover the costs of land acquisition and resettlement within the agreed implementation period. Suproject RPs will include the breakdown for each type of losses with corresponding cost estimates reflecting replacement cost or current market values. The Subproject RPs will also include the detailed schedule and procedures related to flow of RP funds.

11. SUPERVISION, MONITORING AND EVALUATION

The objectives of the monitoring program are (i) to ensure that the standard of living of APs are restored or improved; (ii) to monitor whether the overall project and resettlement objectives are being met; (iii) to assess if rehabilitation measures and compensation are sufficient; (iv) to identify problems or potential problems; and (v) to identify methods of responding immediately to mitigate problems.

A monitoring and evaluation program will be implemented to (a) record and assess project inputs and the number of persons affected and compensated,

and (b) confirm that former subsistence levels and living standards are being re-established.

The range of activities and issues that would therefore have to be recorded and checked, include:

- land acquisition and transfer procedures;
- compensation payments;
- construction of replacement houses by APs;
- re-establishment of APs and business enterprises;
- reaction of APs, in particular, to resettlement and compensation packages; and
- re-establishment of income levels.

Table 4- Monitoring and Evaluation Indicators

Type	Indicator	Examples of Variables
PROCESS INDICATOR	Staffing	<ul style="list-style-type: none"> • Number of Project staff and job function • Number of department and local administrative officials available for tasks • Number of RC members and job function
	Consultation, Participation, and Grievance Resolution	<ul style="list-style-type: none"> • Number of consultation and participation programs held with various stakeholders • Number of VCG members and number of meetings held • Grievances by type and resolution • Number of local-based organizations participating in project
	Procedures in Operation	<ul style="list-style-type: none"> • Census and asset verification/quantification procedures in place • Effectiveness of compensation delivery system • Number of land transfers effected • Coordination between NTAL and other agencies
OUTPUT INDICATOR	Acquisition of Land	<ul style="list-style-type: none"> • Area of cultivation land acquired • Area of communal/government land acquired
	Buildings	<ul style="list-style-type: none"> • Number, type and size of private houses/structures acquired • Number, type and size of community buildings acquired
	Trees and Crops	<ul style="list-style-type: none"> • Number and type of private trees acquired • Number and type of government/community trees acquired • Number and type of crops acquired • Crops destroyed by area, type and number of owners
	Compensation and Rehabilitation	<ul style="list-style-type: none"> • Number of households affected (land, buildings, trees, crops) • Number of owners compensated by type of loss • Amount compensated by type and owner • Number and amount of payment paid • Number of replacement houses constructed by concerned owners • Number of replacement businesses constructed by concerned owners • Number of owners requesting assistance for additional replacement land • Number of replacement land purchases effected • Number of delivery of entitlements • Number of use of entitlements by APs • Suitability of entitlements to APs as per RP objectives

Type	Indicator	Examples of Variables
	Reestablishment of Community Resources	<ul style="list-style-type: none"> • Number of community buildings repaired or replaced • Number of seedlings supplied by type • Number of trees planted by government agency • Number of basic services such as electricity, water supply, roads, sanitation and drainage
IMPACT INDICATOR	Household Earning Capacity	<ul style="list-style-type: none"> • Employment status of economically active members • Landholding size, area cultivated and production volume, by crop • Selling of cultivation land • Changes to livestock ownership – pre- and post disturbance • Changes to income-earning activities (agriculture) – pre- and post disturbance • Changes to income-earning activities (off-farm) – pre- and post disturbance • Amount and balance of income and expenditure
	Changes to Status of Women	<ul style="list-style-type: none"> • Participation in community-based programs • Participation in project construction • Participation in commercial enterprises
	Changes to Status of Children	<ul style="list-style-type: none"> • School attendance rates (male/female) • Participation in project construction
	Settlement and Population	<ul style="list-style-type: none"> • Growth in number and size of settlements • growth in market areas • Influx of illegal settlers/squatters

The various indicators and benchmarks will be monitored by means of two monitoring mechanisms:

- *ongoing internal monitoring* of process and output indicators at both Central and Project level;
- *external monitoring and evaluation* by an external agency to assess the extent to which resettlement and rehabilitation objectives have been met.

11.1. Internal Monitoring

The Project Implementation Office and resettlement committees will be responsible for the internal monitoring of RP implementation. They will supervise the resettlement activities and will provide quarterly reports to NTAL and ADB. The Project Implementation Office and resettlement committees will ensure that the reports of the Project Supervision Consultants include in their progress reports, the status of the resettlement plans, and information on location and numbers of people affected, compensation amounts paid by item, relocation, grievances and assistance provided to APs.

Baseline information will be properly recorded and filed during the preparation of the RP. The database will be used to assist the external monitoring agency to evaluate the overall effectiveness of the RP.

The ADB will also monitor these activities in its regular supervision missions during the period of project implementation.

11.2. External Monitoring and Post-Evaluation

External Monitoring and Post-Evaluation exercise will be an additional method through which the attainment of resettlement and compensation objectives will be assessed. A suitably qualified domestic agency will be engaged to undertake monitoring and post-evaluation exercises.

External Monitoring will be of two kinds: random observation visits and consultation with APs. Conduct of community workshops or focus groups will also provide APs the opportunity to discuss both the positive and negative aspects of their resettlement, compensation and re-establishment. An inclusive problem-solving approach will be followed, using local experiences and realities as the basis for solutions.

One monitoring survey of a sample of APs known as Knowledge, Attitude, Response and Experience or KARE survey will be undertaken using the same survey questionnaire as for the baseline survey to obtain comparable data to determine the status and/or progress in meeting Project objectives. As shown in Monitoring and Evaluation Indicators in **Table 4**, one of the purposes of the KARE survey is to establish a long-term basis for the monitoring and ongoing evaluation of the varying awareness, responses to, actions and experience of APs based on the same panel sample of households. Apart from the impact of resettlement to APs, it will also allow in the monitoring and evaluation of benefits and developmental opportunities brought or will bring about by the Project over time.

The KARE survey will be carried out in two (2) stages: i) benchmark questionnaire survey based on a sub-sample drawn from the 100 percent population and ii) follow-up survey using the same panel sample. The latter will be carried out six months later.

External monitoring activities will commence for a period of one year. The domestic team will be composed of one (1) Sociologist or Social Development Specialist and two (2) social enumerators. All reports will be submitted to the Project Implementation Office, NTAL and ADB.

Post-evaluation activities will also be carried out one (1) year after the completion of all relocation activities.