ENVIRONMENTAL AND SOCIAL SAFEGUARD FRAMEWORK (ESSF)
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I. INTRODUCTION

1. The Khammouan Provincial Department of Planning and Investment in collaboration with concerned agencies has requested the World Bank to support the “Khammouan Rural Livelihood Project” (KRLP). The Project Development Objective (PDO) is to strengthen the planning process and public financial management associated with decentralized delivery of services and infrastructure. The project will contribute towards attaining its PDO by achieving the following interim objectives: strengthening infrastructure and service delivery with improved local transparency and accountability; and (ii) supporting the development of a strategic vision for the technically, economically and socially sustainable development of irrigation along the NT2 Downstream Channel and in areas situated along the lower Xe Bang Fai (XBF) river. The following are the expected outcomes of the project.

- Adoption of the procedures for planning public investments initiated under the project at the provincial and district levels; and
- Phased and rationalized planning for developing downstream irrigation incorporating technical, economic, and institutional aspects.

2. To achieve the above objectives, the KRLP is composed of two main components:

- **Support for Local Development and Provincial Capacity Building** (Component 1, estimated cost US$ 6.32 million). Main objective of this component would support the province to adopt a more transparent and participatory procedures for budget planning and strengthen public financial management. The component would provide the province with the technical assistance and resources for investment to apply the new procedures. This component consists of two sub-components: (i) the District Development Fund (DDF) and (ii) Provincial Capacity Building. Both sub-components will strengthen capacity to improve service delivery at the local level in rural areas.

- **Support for Irrigation Development along NT2 Downstream Channel and Lower XBF** (Component 2, estimated cost US$ 3.65 million). For the province, the water to be discharged by the NT2 dam is an opportunity for increasing agricultural production during the dry season, but also poses a risk of increasing floods. Given that the NTPC is constructing five outlets along the downstream channel to help the GoL develop irrigation schemes utilizing discharge water from the NT2 hydropower station, this subcomponent would mainly support the GoL’s effort to take the first concrete steps towards developing so-called NT2 downstream irrigation. Further, as an alternative to protect livelihoods in the lower XBF from possible floods, this component would also support the rehabilitation of small pump-based irrigation schemes.

3. The KRLP will be implemented over a period of six years (2008-2014) by multiple National and Provincial Government Agencies. The project will be jointly implemented by Khammouane Province and the Department of Irrigation (DoI) of the Ministry of Agriculture and Forestry (MAF). While the project will support the province...
overall, downstream irrigation and irrigation in the lower XBF are of national interest, given the involvement of the NT2 hydropower station. In this context, it has been decided that the implementation responsibilities for Component 2 will be assigned to the DoI, while the province will be responsible for Component 1. Overall guidance and coordination at the Provincial level is provided by the Provincial Department of Planning and Investment.

II. THE KRLP SOCIAL AND ENVIRONMENTAL SAFEGUARD FRAMEWORK

4. As a part of the grant agreement between the Government of Lao (GoL) and the World Bank (WB), the KRLP Environmental and Social Safeguards Framework (ESSF) provides the overall guidelines and procedures to be applied to avoid or minimize adverse environmental and social impacts of KRLP supported project activities. The KRLP ESSF complies with the safeguard requirements of the International Development Agency of the WB. Moreover, the ESSF aims at ensuring that all KRLP project activities and investments will comply with the Lao regulatory Framework, notably the Environmental Protection Law (1999) and its Implementing Decree (2002), the Decree on Environmental Impact Assessment (EIA, 2000), the Decree on the Compensation and Resettlement of People Affected by Development Projects (2005) and the Regulations for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects (2005), and the Forest Law (1996), complemented by the Decision of the Prime Minister in April 2007 on the Endorsement of the outcome of the Nationwide Forest Conference, held in April 2007.

5. The KRLP ESSF will be applied to all supported project activities, in particular all proposed investments, to be implemented under the Project Components. The KRLP ESSF describes how safeguards issues will be dealt with by (i) detailing specific safeguards procedures and measures for activities with environmental and/or social impacts; (ii) detailing the types of activities that will not be supported by the Project; (iii) detailing the types of activities that may only be permitted in conjunction with specific safeguards procedures; and (iv) outlining institutional and monitoring arrangements. Specific procedural requirements and implementation arrangements on relevant and key safeguard aspects are drafted and annexed to the ESSF.

III. POTENTIAL SAFEGUARD ISSUES

6. The WB has categorized the KRLP as a ‘Category B’ project. Since the KRLP aims to improve rural livelihoods through small scale grants, is designed with a participatory assessment and implementation approach, and has capacity-building as a major focus, no major adverse environmental or social impacts are expected. Some eligible small-scale civil works may involve minor adverse environmental, mostly related to standard construction impacts. Water quality concern may arise for anticipated irrigation projects due to the poor quality of the water released from the NT2 reservoir. An increase in water usage may also potentially trigger a higher demand for pesticides and fertilizers. Safety is another concern in many areas in the Khammouane province due to the presence of unexploded ordnance (UXO). Finally, certain supported project
activities may also require minimal land acquisition or cause minor social impacts on some members of the community.

7. The activities proposed for the different components will involve only small scale civil works. Out of the WB safeguard policies, four policies are triggered: Environmental Assessment (OP 4.01); Pest Management (OP 4.09); Indigenous Peoples (OP 4.10); and Involuntary Resettlement (OP 4.12). Additionally, the applicability of the policy on the Natural Habitats (OP 4.04) will need to be determined during implementation of the KRLP. It is anticipated that most aspects related to the OP 4.04 can be addressed as part of the Environmental Assessment (OP 4.01), Indigenous People (OP 4.10), and Involuntary Resettlement (OP 4.12). The KRLP will apply all key principles of the triggered WB safeguard policies. KRLP Policy frameworks for the triggered Safeguard Policies have been prepared and annexed to the ESSF (Annex II to Annex VI). As such, the KRLP will ensure that all supported activities will comply with following general safeguard aspects described below.

8. **Environmental Assessment (ref. OP 4.01):** Any grant or investment activity that involves construction work or changes to land or water use has the potential to generate negative environmental impacts. Negative impacts must be avoided or minimized to the greatest extent possible through exploring alternate project design. Small-scale construction activities may proceed after the application of a standard technical safeguard screening checklist and the application of standard ‘best-practice’ operating procedures (‘Code of Practice’). Medium-scale construction, or any other activity expected to produce modest, local environmental impacts must produce and implement a Simple Environmental Management Plan (EMP). Any proposed activity involving larger-scale construction or expected to lead to considerable or widespread adverse environmental impacts will be requiring the preparation of a Initial Environmental Examination (IEE) or a full Environmental Impact Assessment (EIA). Regarding the proposed irrigation schemes, water quality concerns will be mitigated through the application of the FAO and WHO quality guidelines, ensuring the provision and usage of safe irrigation and aesthetically acceptable water.

9. Moreover, in certain remote areas in the Khammouane province there may be a safety risk of unexploded ordnance (UXO). Lao PDR was subjected to heavy bombing during the Indochina war, resulting in large areas of land ridden with dangerous unexploded ordnance (UXO) throughout many parts of the country. UXO is a critical impediment to agricultural development and land utilization. As part of the overall consultation process and initial screening process, a rapid assessment will be carried out with the communities to identify possible UXOs, their locations and potential safety risk. If a safety risk is present, the KRLP staff complete a UXO questionnaire and will contact UXO Lao\(^1\) to request for assistance in developing a simple plan to clear the UXO. Only after the actual clearance the KRLP will provide support for the proposed activity.

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\(^1\) The Lao National Unexploded Ordnance Program (UXO Lao) was established by Prime Minister’s Decree #49 dated 13 February 1996 with the support of UNDP, UNICEF, and other stakeholders. UXO Lao is a project of National Execution and a department under the Ministry of Labor and Social Welfare. The organization is the responsibility of the UXO Lao National Program.
10. **Pest Management (ref. OP 4.09):** Providing additional water for irrigation may increase the pesticides and fertilizer usages. The KRLP will promote an organic farming approach and not procure any pesticides. In compliance with the WB Pest Management Safeguard Policy (OP 4.09), the Project will apply a Pest Management Plan (PMP, Annex III). The KRLP PMP focuses on the agriculture impacts of the proposed activities under Component 2. Anticipated adverse impacts relevant to WB 4.09 for KRLP Component 1 are considered minimal and do not warrant a separate PMP. The PMP is largely based on the Nam Theun 2 Pest Management Plan, as included in the NT2 EAMP.

The KRLP will address the risks of increased pesticide usage through: (i) the promotion of organic farming practices, and (ii) the application of a list of pesticides not acceptable under the KRLP as part of a Pest Management Plan. The PMP identifies the scope and extent of this impact assessment and the preparation of a detailed plan for implementation of the IPM or promotion of the organic farming, including sharing of experience and networking between Lao and Thai farmers. In Thailand extensive experience on organic farming has been gained. It is considered not justified to introduce a comprehensive Integrated Pest Management program through the KRLP because: (i) the irrigation schemes to be rehabilitated by the KRLP are very small; (ii) the usage of pesticides and fertilizers in Lao PDR are low as compared to other countries, and (iii) the critical factor in Lao PDR appears to be the poor legislation and analytical capacities. Lao PDR was the only country in Asia without adequate laboratories to analyze pesticide usage (FAO, 2005). Efforts to improve Pest management in Lao PDR should be addressed through larger scale national or provincial programs to improve legislation and laboratory capacity. Selected programs are already ongoing as part of the cooperation with the relevant agencies.

11. **Indigenous Groups (ref. OP 4.10):** The project will follow the key principles of the WB's policy concerning ethnic minorities (OP/BP 4.10 on Indigenous Peoples), which are to "ensure that indigenous peoples do not suffer adverse impacts during the development process," and that they receive “culturally compatible social and economic benefits." Ethnic minorities, or "Ethnic Groups" as used for the KRLP, includes ethnic groups in Lao PDR, such as the Mon-Khmer, Hmong-Mien, Sino-Tibetan and Tai-upland ethno-linguistic groups, who are vulnerable to the development process and who meet the characteristics used in the WB's policy.

12. **Involuntary Resettlement and Land Acquisition (ref. OP 4.12):** The KRLP will apply proper involuntary resettlement and compensation principles to ensure that all Project Affected People (PAPs) will be compensated for their losses at replacement cost and provided with rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards and income earning capacity. The PAPs include the following persons to be identified by the baseline information collected for each of the

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Director who directly reports to the Minister of Labor and Social Welfare. Its mandate is to reduce the number of casualties caused by unexploded ordnance, and increase the amount of land available for food production and other socio-economic development activities. The organization works in nine of the most heavily UXO impacted provinces in the country.
sub-projects where there are land, property or asset acquisition: (i) Persons whose houses and other structures are in part or in total affected (temporarily or permanently) by the project; (ii) Persons whose agricultural/residential and commercial land is in part or in total affected (permanently or temporarily) by the project; (iii) Persons whose businesses are affected in part or in total (temporarily or permanently) by the project; (iv) Persons whose crops (annual and perennial) and trees are affected by the Project; and (v) Persons whose other assets are affected by the project.

13. The preparation and implementation stage of KRLP will see to it that women are: (a) consulted and their concerns will be addressed; (b) consulted and trained on chosen livelihoods that would restore their income and improve their living standards, (c) given the opportunity to represent the community groups meetings, focused-group discussions, planning and implementation, and (d) represented equally in the Grievance and Redressal Committees (GRCs).

14. **Resource Access Restriction (ref. OP4.01, OP 4.10, and OP 4.12):** Safeguard issues related to ‘Resource Access Restriction’ are linked to different Safeguard Policies, and are dealt with as part of the Environmental Assessment and Involuntary Resettlement procedural guidelines. As defined under the Decree on Resettlement Policy and WB policies, PAPs include those whose business, occupation, work, place of residence, habitat or standard of living would be adversely affected by the execution of a project activity. Proposed activities which would restrict access to resources, notably efforts to enforce national laws or local regulations in protected areas, will therefore trigger safeguards policies and must apply this Framework.

**IV. Mitigation Measures Applied for KRLP Investments**

15. All proposed KRLP project activities will undergo a rapid safeguard screening prior to their approval and implementation. The screening procedures will determine (i) if the proposed activity is eligible for KRLP funding; (ii) if and what safeguard issues need to be addressed; and (iii) what safeguard documents need to be prepared. The Project will keep records of all proposals received and screening decisions for review by the GoL, WB, or other external stakeholders (see also the section on public disclosure, section VII). The main steps in the screening and approval process are:

1. **Initial Eligibility Screening.** The KRLP will apply a ‘negative list’ with a number of non-eligible activities to avoid adverse social and environmental impacts which cannot be adequately mitigated or are not eligible for WB Financing. The KRLP

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2 Land acquisition is defined as a process by which any person is compelled to relinquish ownership, possession, control or use of all or part of their land, structures, or other assets. This includes land or assets for which the possessor or user enjoys customary or uncontested access but lacks legal title (e.g. trees, grazing rights, cultivatable land). Land acquisition must be avoided or minimized to the greatest extent possible through exploring alternate project design. Although project financial resources cannot be used to fund land acquisition, activities involving an unavoidable element of land acquisition may be accepted if this is carried out on a voluntary basis or compensated by the project recipients. In all such cases, the activities must follow the provisions of this Framework.
negative list, given in Annex I, will be considered as the first safeguard screening for all proposed project activities.

2. **Technical Safeguard Screening.** For activities which are not on the ‘negative list’, a technical screening process will be applied to identify possible social and environmental safeguard issues. An Environmental and Social Safeguard Screening Form, included in the Safeguard Manuals, will enable the Project staff to identify the possible safeguard issues and decide upon subsequent safeguard documents to be prepared. These measures are described in the annexed Procedural Guidelines, with further technical guidance detailed in the KRLP Safeguard Manuals.

3. **Preparation of Safeguard Documents.** During the technical screening the Project staff will identify the safeguard issues to be addressed and documents to be prepared. Subsequently, the staff will discuss with the respective agencies on the logistical arrangements for incorporation of the identified safeguard issues and document preparation. If production of safeguards documents is likely to involve considerable expense, then it could constitute an initial grant proposal in and of itself, with the understanding that it would be expected to lead to a later, operational investment.

4. **Securing Formal Approvals and Clearances.** Finally, upon the satisfactory preparation of the required documents and incorporation the safeguard recommendations into the proposed activities, the Project Staff will ensure that all formal approvals and clearances are obtained by the responsible agencies or local governments.

16. The process to determine the required safeguard documents is summarized in Figure 1 and Table 1. To support the compliance with the ESSF and facilitate the assessment of future activities, two technical guidance documents have been prepared: the “Social Safeguard Manual” and the “Environmental Safeguard Manual”. These manuals, considered as ‘living documents’ and integral parts of the KRLP Safeguard documents, provide practical technical guidance, standard screening forms, and technical references for most activities foreseen for the KRLP. Additionally to the standard KRLP Safeguard and Lao PDR requirements, the WB may at any time require to prepare and submit additional documents, in particular with reference to Resettlement and Compensation and provide support to the WB staff in carrying out their “Due Diligence” requirements.
Figure 1 – Schematic Flowchart to determine Safeguard Document Requirements

Grant Identification and Initial Screening for Negative List (Step 1)

Pass: Proceed with Preparation of Details of the Proposed Grant Activity

Fail: Discard Grant Application

Screening of potential Grant Activity for Safeguard requirements (Step 2)

Smaller Projects with non or limited potential Safeguard issues:

Discuss the Safeguard Screening with Local Government and/or Communities.

Has the Proposed Activity Significant Safeguard Impacts or Safeguard Risks?

No: Proceed with preparation of Grant Agreement

Yes: Also Prepare required Safeguard Documents or Abandon Grant Application

Larger Projects with Identified Safeguard issues:

Make arrangement on the preparation of the Safeguards Document with the PCS, DoI and PAFO (Step 3): Before the Grant Agreement or as part of the Grant Agreement

Preparation of Safeguard Reports according to KRLP ESSF, Lao Regulations, and WB Safeguard Policies

Obtain Approval of DoE/WREA and/or World Bank (Step 4)

Attach Safeguard Screening Checklist, and/or Safeguard Documents to Grant Agreement

Grant Implementation and Safeguard Compliance Monitoring
Table 1 - Determination of Safeguard Document Requirements

<table>
<thead>
<tr>
<th>Screening section</th>
<th>Potential Issues</th>
<th>Mitigation Measures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sub-Grant scope</td>
<td>Part of the activities are part of the KRLP Negative List</td>
<td>Discuss with the applicant how to improve the activity, or reject the proposal.</td>
</tr>
<tr>
<td>Safety concerns</td>
<td>UXO presence is reported in the proposed project area.</td>
<td>Conduct an assessment of the UXO presence and discuss with UXO Lao for the removal. Construction activities are not allowed prior to UXO Lao clearance.</td>
</tr>
<tr>
<td>Social Safeguards</td>
<td>The Project involves land acquisition, relocation, indirect loss of access and assets, or has adverse impacts on ethnic groups.</td>
<td>Apply the ESSF to determine the social safeguard documents to be prepared. Consult with the World Bank on the preparation of the documents. Obtain World Bank clearance prior to starting the project activities.</td>
</tr>
<tr>
<td>Environmental Safeguards</td>
<td>The project will involve minor construction activities.</td>
<td>Attach the signed KRLP screening form and Code of Practice for Contractors to the grant agreement and contractors contract. Include references to the safeguard documents in possible bidding documents.</td>
</tr>
<tr>
<td></td>
<td>The project will involve significant construction activities.</td>
<td>Prepare an EMP or IEE report, depending on the size of the construction activities. Attach the EMP/IEE and Code of Practice for Contractors to the grant agreement and bidding documents. Obtain World Bank clearance prior to starting the project activities.</td>
</tr>
<tr>
<td></td>
<td>The project will use water from the NT2 downstream canal, Nam Kathang, or XBF.</td>
<td>Obtain water quality monitoring reports from NT2 and ensure that the water quality complies with FAO irrigation water quality standards. Organize consultations with communities to ensure that there are no aesthetic concerns. Prepare an Environmental Management Plan, to be attached to the grant agreement and included/referenced in the bidding documents.</td>
</tr>
<tr>
<td></td>
<td>Water usage by farmers will increase (and possible pesticide usage).</td>
<td>Organize consultations with the farmer groups to explain the KRLP PMP. Ensure that NAFRI is providing support to organize awareness and training activities. Prepare an Environmental Management Plan, to be attached to the grant agreement and included/referenced in the bidding documents.</td>
</tr>
<tr>
<td>Other</td>
<td>No safeguard issues are identified.</td>
<td>Attach the signed screening form and Code of Practice for Contractors to the grant agreement and contractors contract. Include references to the safeguard documents in possible bidding documents.</td>
</tr>
</tbody>
</table>

V. INSTITUTIONAL AND MONITORING ARRANGEMENTS

17. Overall responsibility for the compliance with the ESSF is shared between the Provincial Coordination Section (PCS) for Component 1 and the Department of Irrigation (DoI) for Component 2. A provincial Project Coordination Section (PCS) within the Department of Planning and Investment (DPI) is to be established and headed by its director as the provincial program director (PPD). The PCS will be responsible for overall implementation of Component 1; however, responsibility for day-to-day implementation of activities will be assigned to relevant provincial line departments and to districts – particularly with regard to DDF/PDF-related
activities and to VLS activities. For Component 2, the DoI will be fully responsible for overall implementation. However, day-to-day management of all activities would be delegated to Provincial Agriculture and Forestry Office (PAFO).

18. The PCS and DOI will assign Safeguards Coordinators, who will be the central resource person for all safeguards issues. Training programs will be developed to strengthen the capacity of all Project staff and local government partners where appropriate, to deal with environmental and social safeguards issues. Additional to the Safeguards Manuals, guidance materials will be adapted and developed to aid the grant recipients in this process, including visual materials and written materials translated into local languages as needed. Necessary changes to the ESSF Procedural Guidelines will be discussed with the WB and subsequently incorporated into the Safeguards Manuals and other supporting materials.

19. For project activities following the standard safeguard operating procedures, compliance will be verified through visual inspection by the PCS and DoI/PAFO staff, preferably at the mid-point and close. Approved KRLP activities that have triggered specific safeguards procedures and which involve ethnic group issues will be monitored more intensively than standard projects. In all cases the Project staff should carry out a field visit before approval of the activity to verify the physical characteristics of projects with environmental impacts, and/or to verify the consultation process, proposed measures and the views of PAPs in cases of social impacts. Implementation monitoring visits for such grant activities will be carried out at least at the mid-point and close.

20. All monitoring reports from such grant activities and of all specific safeguards documents will be made available for review by the Government Agencies, WB supervision missions, and or other external stakeholders, if desired. A summary of grant activities safeguards issues will be included in the quarterly progress reports of the KRLP, to be submitted to the WB.

21. The Government also recognizes, as an integral part of the KRLP ESSF, the importance of adequate community consultation and participation with the purpose of improving and increasing efficiency of service provision. The application of the KRLP will contribute to strengthening and maximizing mobilization of communities own resources and capacities, thus enabling them to take responsibility for implementing monitoring and evaluating their projects. Eventually this will create incentives among the concerned stakeholders, encourage project ownership, enhance transparency in the KRLP project cycle, and increase the prospects of project sustainability.

VI. IMPLEMENTING CAPACITY AND TRAINING

22. The Government recognizes its current limited capacity to ensure compliance with the ESSF. It emphasizes that there is a need to further strengthen its staff in screening and integrating environmental and social safeguard issues in supported activity implementation. As such, for Component 1, further training for district staff and communities on the application of the ESSF will be provided by the UNCDF technical assistance and the SNV, respectively. Moreover, annual budgets have been allocated for the different components to enable DoI, PAFO, and PCS staff to carry out monitoring and supervision tasks.
VII. TRANSPARENCY AND PUBLIC DISCLOSURE

23. The Government fully endorses the WB emphasis on the importance of transparency and accountability to the development process. It is the WB’s policy to be open about its activities and to welcome and seek out opportunities to explain its work to the widest possible audience. The preparation of projects should be transparent, participatory, and properly documented written in the language that is easily understood by the stakeholders, target community-beneficiary, affected persons and other vulnerable groups. The PCS and DoI will ensure that adequate coordination is maintained with the key national and local government agencies and other stakeholders. Cooperation with all stakeholders and sharing of information will be encouraged throughout the process of preparation and implementation of KRLP supported activities.

24. The Project will ensure that adequate public disclosure/dissemination of information will take place on the Project objectives, guidelines, requirements, mechanisms and scope among various stakeholder, target beneficiary communities and affected persons. Existing regulations, legislation and requirements that are relevant to KRLP will be properly disseminated to the various stakeholders, beneficiary community and affected persons. To facilitate timely public access to information, the WB has established the Info-Shop to serve as the central contact for persons seeking to obtain Bank documents. With the support of the Lao Resident mission, all key documents for the KRLP will be made available thought the Info-Shop. All other project safeguard documents will be kept in the PCS and DoI/PAFO Project offices and made available for review by the public.

25. Mechanisms for conflict resolution and grievance redressal will be put in place and properly documented at the early stage of the sub-project preparations. At the community levels, a Grievance and Redressal Committee will be established to hear the complaints and grievances of the PAPs regarding the implementation of KRLP, acquisition of land, destruction of houses and other assets and the loss of livelihood caused by the project, and compensation, ethnic group issues, and resettlement entitlements.
Annex I – List of Negative (Prohibited) Activities

To avoid adverse impacts on the environment and people, the following activities are not allowed under the KRLP:

- Community-based projects that involve gasoline or diesel generators; guns; chain saws; pesticides, insecticides, herbicides and other dangerous chemicals; asbestos and other investments detrimental to the environment.
- Community Projects that include trading or development of any goods or tools which are made out of UXO;
- Track upgrading or road rehabilitation of any kind inside natural habitats and existing or proposed protected areas.
- Forestry operations, including logging, harvesting or processing of timber products; however support to sustainable harvesting and processing of NTFPs are allowed if accompanied with a management plan for the sustainable use of the resources.
- The grants will not fund the acquisition of land under any conditions and involuntary resettlement is not allowed. However, some voluntary resettlement or land acquisition may occur, either with voluntary contributions or with compensation provided by the village.
- Activities where the rural development and/or environmental gains do not clearly outweigh any potential losses.
- Significant conversion or degradation of natural habitat.
- Introduction of non-native species, unless these are already present in the vicinity or known from similar settings to be non-invasive.
- Loss or damage to cultural property, including sites having archeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
- Projects that are unacceptable to a large number of villagers involved or any of the villagers directly affected, or where discussions within the village are adjudged not to have been comprehensive or open enough to establish this. In particular, any activity unacceptable to a group of ethnic group in a village of mixed ethnic composition cannot be funded. Activities that will have adverse impacts on ethnic minorities within the village and/or in neighboring villages cannot be funded.
- Payments of salaries to regular staff of the organization to which the grant was awarded. Per diems for field activities and travel, payment for extra manpower contracted for sub-project purposes, and payments to communities for labor are allowed.
Annex II – KRLP Environmental Assessment Policy Framework

Background
Environmental Assessment (EA) is a process of the pre-implementation stage which evaluates a project’s potential environmental risks and impacts in its area of influence; examines project alternatives; identifies ways of improving project selection, siting, planning, design, and implementation by preventing, minimizing, mitigating, or compensating for adverse environmental impacts and enhancing positive impacts; and includes the process of mitigating and managing adverse environmental impacts throughout project implementation. In WB’s environmental policy, EA is mandatory for projects, which may potentially have negative impacts. In addition, legislation of most client countries requires similar EIA procedures, which should be reviewed and approved by the authorities. Well-organized public participation is mandatory in all the stages of the process.

The WB has categorized the KRLP as a ‘Category B’ project. The activities proposed for the different components will involve only small scale civil works, for which no major adverse impacts on the local environment and local communities are expected. Out of the WB safeguard policies, four policies are triggered: Environmental Assessment (OP 4.01), considered the ‘umbrella’ policy, Pest Management (OP 4.09); Indigenous Peoples (OP 4.10); and Involuntary Resettlement (OP 4.12). Additionally, the applicability of the policy on the Natural Habitats (OP 4.04) will need to be determined during implementation of the KRLP. It is anticipated that most aspects related to the OP 4.04 can be addressed as part of the Environmental Assessment (OP 4.01), Indigenous People (OP 4.10), and Involuntary Resettlement (OP 4.12).

Applied Principles
All KRLP supported activities will comply with all the WB Safeguard Policies, with a focus on the ‘triggered’ Policies. Moreover, the ESSF aims at ensuring that all KRLP project activities and investments will comply with the Lao regulatory Framework, notably the Environmental Protection Law (1999) and its Implementing Decree (2002), the Decree on Environmental Impact Assessment (EIA, 2000), the Decree on the Compensation and Resettlement of People Affected by Development Projects (2005) and the Regulations for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects (2005), and the Forest Law (1996), complemented by the Decision of the Prime Minister in April 2007 on the Endorsement of the outcome of the Nationwide Forest Conference, held in April 2007).

Furthermore, the activities will take into account relevant international technical Guidelines, such as the FAO Guidelines on water quality for agriculture (1985), the FAO International Code of Conduct on the Distribution and Use of Pesticides (2003, Revised Version); and the WHO recommended classification of pesticides by hazard and guidelines to classification (2006).

The KRLP will apply a ‘negative list’ with a number of non-eligible activities to avoid adverse social and environmental impacts which cannot be adequately mitigated or are not eligible for WB Financing. The KRLP negative list, given in Annex I of the ESSF, will be considered as the first safeguard screening for all proposed project activities. Eligible activities, within the scope of the KRLP, will be approved if appropriate safeguard measures are incorporated and into the design of the proposed activities and monitoring arrangements.

Implementation of the supported project activities will be covered by a general ‘Code of Practice’ for all small infrastructure projects. Specific additional safeguard requirements for selected activities will be incorporated into the safeguard documents and become an integral part of the
grant conditions. The KRLP staff will be responsible for adequate monitoring and supervision to ensure that all safeguard requirements are complied with.

**Implementation Arrangements**

An environmental assessment will be carried out for all supported KRLP activities. The assessment consists of a brief initial safeguard screening, both for social and environmental aspects. Depending on the findings of the Safeguard screening, a range of environmental safeguard documents may need to be prepared to satisfy the Bank’s EA requirement prior to providing formal financial KRLP support (as further described in the KRLP Environmental Safeguard Manual and other technical references). These may include a Simple Environmental Management Plan (EMP), an Initial Environmental Assessment Report, a separate Pest Management Plans, a simple plan for clearance of UXO, land titles or documentation, or other documents. Larger projects which may require the preparation of a full Environmental Impact Assessment (EIA) are not eligible for KRLP funding.

During the screening, the PCS and DoI/PAFO staff will consider all possible environmental impacts which may be the result of the proposed activity. Agriculture and rural development projects can have both positive and negative effects. Appropriate management and practices can prevent or mitigate the potential negative effects mentioned below:

- **Resource degradation.** Land degradation from overgrazing, intensive cultivation, fires, and improper water and waste management may irreversibly reduce the productivity of land, and in arid areas lead to desertification. Improper irrigation causing salinization, and water logging may decrease land productivity. Poor forest and rangeland management may reduce the productivity of vegetation and may result in soil erosion and desertification. Over-exploitation of any natural resource (for example, fish, game, herbs) may damage stocks, whose recovery may be lengthy. Proper planning and management of resources use is necessary to make sure that the use is based on sustainability principles.

- **Pollution.** In areas of intensive cultivation, the main concern is pollution dispersed from agricultural lands, which causes eutrophication and damages watercourses and their bioresources. Agrochemicals such as fertilizers, herbicides, and pesticides may pollute soil and water and unintentionally damage the natural environment. Poor waste management from livestock production including from improper manure handling, slaughter houses, and food processing plants can be the main point-source polluters. Improper use of machinery may pollute air and discharge oil pollution. There are a number of modern pollution control techniques and technologies that may protect the environment.

- **Loss of habitats and biodiversity.** Vast natural areas populated and cleared for agriculture and monocultures may degrade valuable landscapes, habitats, and biodiversity. Natural water resources taken for irrigation may destroy water habitats and, for example, fish stocks. Drainage of lands may have negative impacts on water quality and hydrology of watercourses and destroy wetland habitats. Logging and selective tree cutting may change forest habitats (for example, fragmentation), endanger species of fauna and flora, and reduce the productivity of forest. Fencing, competition with livestock, habitat degradation, disturbances, poaching, and hunting may deplete wildlife. Nature conservation areas should be defined with regard to developing resources use. Restoration of habitats may be needed to reduce past environmental degradation.

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3 Eutrophication is the process by which water bodies receive excess nutrient run-offs that stimulate excessive plant growth (algae, nuisance plants, weeds), which deoxygenates the water, killing beneficial organisms.
- **Increase in natural risks.** Emissions into the air cause the “greenhouse effect,” which is known to cause and exacerbate climate change. Global warming then increases floods, hurricanes, droughts, desertification, and melting of glaciers and permafrost. Deforestation and over-grazing increase flood risks, land degradation, landslides, and mudflows. Improper use of fire in agriculture may increase risks for bush and forest fires.

- **Impact on food quality and consumer health.** Use of dirty irrigation water, inappropriate agrochemicals, and unhygienic treatment and storage may spoil agricultural products. Some animal diseases (zoonoses) can be transmitted to humans. Poor management of veterinary chemicals, such as antibiotics, can develop antibiotic resistance in bacteria, with detrimental effects on humans and animals.

Moreover, in certain remote areas in the Khammouane province there may be a safety risk of unexploded ordnance (UXO). Lao PDR was subjected to heavy bombing during the Indochina war, resulting in large areas of land ridden with dangerous unexploded ordnance (UXO) throughout many parts of the country. UXO is a critical impediment to agricultural development and land utilization. As part of the overall consultation process and initial screening process, a rapid assessment will be carried out with the communities to identify possible UXOs, their locations and potential safety risk. If a safety risk is present, the KRLP staff complete a UXO questionnaire and will contact UXO Lao to request assistance in developing a simple plan to clear the UXO. Only after the actual clearance the KRLP will provide support for the proposed activity.

**Institutional Arrangements**
Overall responsibility for the compliance with the ESSF is shared between the Provincial Coordination Section (PCS) for Component 1, and the Department of Irrigation (DoI) for Component 2. A provincial Project Coordination Section (PCS) within the Department of Planning and Investment (DPI) is to be established and headed by its director as the provincial program director (PPD). The PCS and DOI will assign Safeguards Coordinators, who will be the central resource person for all safeguards issues. The Safeguard coordinators will be responsible for ensuring that the proper safeguards procedures are applied during the preparation of the proposed KRLP activities, that identified mitigation measures are included into the project design, and that the partner organization to implement the activity will comply with the safeguard requirements.

For grant activities that require a specific environmental assessment, the Safeguard Coordinators will oversee the preparation of an Environmental Management Plan. The Plan will include a simple description of the environmental impacts and mitigation measures to be incorporated into the design. Most adverse impacts will be highly localized, temporary in nature, and easily mitigated through the application of sensible site selection criteria, good construction practices and diligent management practices in the operational phase.

**Main References**
GOL, 1999 - Environmental Protection Law
GOL, 2000 - Decree on Environmental Impact Assessment (EIA)
GOL, 2002 - EPL Implementing Decree
GoL, 2007 - Decision of the Prime Minister on the Endorsement of the outcome of the Nationwide Forest Conference, held in April 2007.

ICID, 1993 - The ICID Environmental Check-list. To identify Environmental Effects of Irrigation, Drainage and Flood Control Projects. Compiled by J.F. Mock and P Bolten. (online: http://www.dfid-kar-water.net/w5outputs/output_summary_sheets/icid_env_checklist_os.html)

World Bank, 1999 - Operational Policy 4.01: Environmental Assessment
- Operational Policy 4.01: Environmental Assessment, 1999
- Operational Policy 4.01, Annex A: Definitions, 1999
- Operational Policy 4.01, Annex B: Content of an Environmental Assessment Report for a Category "A" Project, 1999
- Operational Policy 4.01, Annex C: Environmental Management Plan, 1999
- Bank Procedure 4.01: Environmental Assessment, 1999
- Bank Procedure 4.01, Annex A: Environmental Data Sheet for Projects in the IBRD/IDA Lending Program, 1999
- Bank Procedure 4.01, Annex B: Application of EA to Dam and Reservoir Projects, 1999
- Bank Procedure 4.01, Annex C: Application of EA to Projects Involving Pest Management: Environmental Assessment
- World Bank Environmental Assessment Website


Background
Rural development and health sector projects have to avoid using harmful pesticides. A preferred solution is to use Integrated Pest Management (IPM) techniques and encourage their use in the whole of the sectors concerned. If pesticides have to be used in crop protection or in the fight against vector-borne disease, the Bank-funded project should include a Pest Management Plan (PMP), prepared by the borrower, either as a stand-alone document or as part of an Environmental Assessment.

In general, pest attack on agricultural crops is low in Lao PDR. Although there is a range of pests mentioned both by farmers, officials and in the literature, these are rarely of economic importance, except perhaps in some cases for vegetables. An extensive review of pest management practices in Lao PDR, with emphasis on the Khammouane Province, is included in the Nam Theun 2 Pest Management Plan, as included in the EAMP\(^4\). In summary, the EAMP stated that the greatest possibility for increased agricultural pesticide and inorganic fertilizer use due to the NT2 Project is in the Xe Bang Fai area. The increased flow of water from the Nakai Reservoir into the Xe Bang Fai will result in two possible new scenarios that could result in a pest or pest management impact: (i) an increase in Dry Season Irrigation, and (ii) Increased duration of wet season flooding. More details will be included in the KRLP safeguard documents, to be prepared for different components of the Project.

These KRLP Procedural Guidelines on Integrated Pest Management will be applied as the PMP for the Project. The PMP is largely based on the Nam Theun 2 Pest Management Plan, as included in Annex M of the EAMP. The objective of the PMP is that pesticide use is minimized or avoided where possible and that any use is an intelligent and considered part of an IPM approach. This has indeed also been the policy of NAFES since 1994, therefore it is proposed to mitigate agricultural impacts, resulting from an increase in or inappropriate use of synthetic chemicals, by supporting NAFES to implement a program of IPM training in geographical areas relevant to the Project.

The KRLP PMP focuses on the agriculture impacts of the proposed activities under Component 2: Development of Irrigation in the lower Xe Ban Fai area. Anticipated adverse impacts relevant to WB 4.09 for KRLP Components 1 (potentially covering the entire Khammouane Province) are considered minimal and do not warrant a separate PMP.

Applied Principles for Pest Management
The KRLP will apply the IPM approach as described in the NT2 Pest Management Plan, and comply with the regulatory framework regarding pesticides and fertilizers in Lao PDR. These include principally the Regulation No. 886/AF (10 March, 2000) regarding the management and use of pesticides; and the Regulation No. 1503/AF (29 November, 2000) regarding the management and use of fertilizers. There are two routes for the registration of pesticides in Lao PDR dependant on the intended usage. For agricultural use application must be made to the Department of Agriculture and for public health and household use to the Ministry of Health. For agricultural pesticides there has been a registration procedure in Lao PDR since June 1998. It is based upon FAO Guidelines and under it 46 products have been registered to date. There are 31 active ingredients represented in these products. Some of the active ingredients registered in Lao

PDR are listed as Category I (WHO). There is presently no formal system for registering public health and household pesticides.

The KRLP will allow and prohibit the same listing of Pesticides, as established and applied by the NTPC. Given pesticide availability is limited by the size of the market in Lao PDR, pesticides used by farmers within the Project area will be those registered in neighboring Thailand and Vietnam, and may or may not be registered in Lao PDR. Both neighboring countries have effective and up to date registration and regulatory systems. Thus pesticides acceptable for use in areas where KRLP supported activities will be implemented must satisfy the following criteria: (i) Registered in Lao PDR for the use in question and not on the Category I (WHO) list; and/or (ii) Registered in Thailand for the use in question; and/or (iii) Registered in Vietnam for the use in question; and (iv) Not banned in Lao PDR. Details on the lists mentioned above are given in the Environmental Safeguard Manual.

Pesticides Not Acceptable to the KRLP (and NTPC)
Approximately sixty pesticides have been banned or have been subject to restricted registration throughout the world. These pesticides are not banned in Lao PDR, and there is no suggestion here that they need to be. The Environmental Safeguard Manual includes an overview of the active ingredients with restrictions in Asia/Pacific countries as well as those banned in Lao PDR. The use of these active ingredients will not be acceptable to the KRLP. Three pesticides of interest but not acceptable to KRLP are:

- **Endosulfan** is one of the most highly toxic insecticides to aquatic life. It’s use to control a pest of increasing importance in Lao PDR, the golden apple snail, has been noted and will certainly increase, so endangering fish. In Thailand endosulfan is not registered for snail control but is used for that purpose, being readily available on the farm because it is registered for other uses. Fish kill in areas where it has become carelessly used is of great concern. This insecticide should definitely not be used nor stored or transported in any area relating to the Project, and for the general good should immediately be banned in Lao PDR;
- **Methamidophos** was banned in Thailand in April 2003. The hasty nature of the banning demanded the immediate removal of stocks from distributors shelves. This may be unenforceable however. Its use in Lao PDR may thus be expected for a further two or three years, as will also occur in Thailand, as stocks in the Thai distribution channel are used up. Its listing in PIC relates to liquid formulations of 60% or higher; and
- **Monocrotophos** was banned in Thailand in 1999; any usage in Lao PDR since then is the result of stocks in the long distribution channel. PIC listing relates to liquid formulations of 60% or higher.

Promotion of Inorganic & Organic Fertilizers
The KRLP will promote the use of organic farming, Inorganic fertilizers are used in the more permanent agricultural areas of Gnommalat, Mahaxai and Xe Bang Fai Districts, but not at all in the shifting cultivation agricultural practices of the upper watersheds in the Khammouane Province. Where used it is predominately on the dry season rice crop, but in the Xe Bang Fai it is also used in the wet season. The type of usage varies according to the recommendations of MAF extension workers and availability locally. Farmers mentioned using an NPK 16-20-0 compound fertilizer to “prime” the land at around 200-350kg/ha followed by urea 46-0-0 at around 50kg/ha. These fertilizers contains no K, making the rice susceptible to diseases such as brown spot disease in K deficient conditions.

Farmers and officials in the Xe Bang Fai plain indicated that inorganic fertilizer use appears to follow no particular guidelines with respect to soil analyses or the analysis and usefulness of
organic fertilizer (Morton, 2003). Some inorganic compound fertilizers appear to be available in a locality on the basis of availability from donors rather than local need. Organic fertilizers, commercially available or made on the farm, that are available in the Xe Bang Fai area do not appear to have been analyzed. This may be an over simplification of the position, nevertheless the true need for organic fertilizer does not seem to be understood by farmers on the Xe Bang Fai. In Xe Bang Fai plain organic fertilizer, mainly manure, is used with inorganic fertilizer at around 250 kg/ha; a relative low rate, but beneficial if applied annually.

Implementation Arrangements
The KRLP will work with the National Agricultural and Forestry Extension Service (NAFES) to provide support to the farmers of the supported activities under Component 2. NAFES has been the key agency for promoting and support IPM in Lao PDR. From 1996 to 2002, IPM was promoted in Lao PDR through Lao-IRRI and the FAO Regional Community IPM Program. The Program was initiated for vegetables but immediately locally re-orientated to rice. Basic research was carried out mainly by Lao-IRRI, and the extension of IPM to farms was carried out by NAFES. This was backed by FAO expertise for six years, funded through the governments of the Netherlands and Norway, and terminated in 2002. Funding for a renewed vegetable IPM program through FAO, this time orientated to vegetables, has recently come from the Swiss Government.

With the exception of the IPM program on vegetables, NAFES is no longer organizing IPM training in the country, and particularly for rice integrated pest management through FFSs, which is considered to be the best method to train farmers in pest management. The best option to train farmers in the areas affected by the Project will be that GOL revive such FFSs. However, through the NT2 project, the NTPC PMS and the agronomist are assisting the NAFES with the review of the curriculum content training methods, resources available at NAFES to ensure adequate training in the appropriate use of pesticide and IPM techniques.

Similar to the NT2 PMP, farmers will be trained, when the use of pesticides is necessary, to use only the correct pesticides, at the appropriate dose, at the right time, and not to pose a hazard to themselves, others or the environment. Each FFS accommodates up to 30 farmer families, and so villages larger than this will have untrained families unless some information trickles down from the trained families to others. The effectiveness of FFSs as a method of education and/or changing farmer practice has been discussed among aid workers for many years by sociologists, agriculturalists and others, but for the last two decades it has been the generally accepted method and the best one to provide a sustainable result.

Institutional Responsibilities
Overall responsibility for the compliance with the ESSF is shared between the Provincial Coordination Section (PCS) for Component 1 and the Department of Irrigation (DoI) for Component 2. A provincial Project Coordination Section (PCS) within the Department of Planning and Investment (DPI) is to be established and headed by its director as the provincial program director (PPD). The PCS and DOI will assign Safeguards Coordinators, who will be the central resource person for all safeguards issues. The Safeguard coordinators will be responsible for ensuring that the proper safeguard procedures are applied during the preparation of the proposed KRLP activities, that identified mitigation measures are included into the project design, and that the partner organization to implement the activity will comply with the safeguard requirements.

Main References


World Bank, 1998 - Operational Policy 4.09: Pest Management

Annex IV – KRLP Ethnic Groups Policy Framework

Background
The WB policy on indigenous peoples, OP/BP 4.10, Indigenous Peoples, underscores the need for Borrowers and Bank staff to identify indigenous peoples, consult with them, ensure that they participate in, and benefit from Bank-funded operations in a culturally appropriate way - and that adverse impacts on them are avoided, or where not feasible, minimized or mitigated.

Applied Principles
Proposed KRLP activities in areas inhabited or used by ethnic groups or activities otherwise affecting ethnic groups should be prepared with the informed participation of the affected communities. Preference is given to collaborative management arrangements that enable ethnic groups to use their resources in a sustainable manner and that respect their cultures and social organization. The customary rights of local communities should be recognized and described in the proposed project activity.

Implementation Arrangements
The key strategy being applied for the KRLP hinges on the principle of inclusiveness. This relates to the premise that the community will be better off with the participation of all members of the community regardless of gender, regional orientation, income classification, among others. Each member of the community has a role and is responsible for its development. Each member of the community has the right to be involved in all aspects of community life be it political, cultural, economic, and technical (design of program interventions). Another important principle in this strategy is the intent to mainstream gender balance at the beginning of the project.

Within community-based sub-grants, the concerns of ethnic groups are met primarily through the design of the project itself. However, Project staff at the provincial level are tasked to review sub-grants that may impact ethnic groups in order to ensure that affected persons have been consulted, agree to the arrangements and that no adverse impacts on vulnerable ethnic groups result from sub-grants. If the review determines that the proposed sub-grant will have adverse impacts on ethnic groups, or if the affected group rejects it, the proposed activity will not be submitted to, or accepted by, the WMU. Consultations and review would be expected to involve ethically disaggregated discussions and should take place in the native language wherever feasible.

Sub-grant proposals involving resource access restrictions for customary users must document a comprehensive consultation process with the communities involved, taking account of any concerns and circumstances of the various ethnic minorities within those communities. Ideally, the community will be encouraged to develop their own activities discussing issues and promoting gender balance. In the preparatory processes, women will be encouraged to participate in consultative sessions. Efforts will be made to ensure that the time and venue for the sessions shall coincide with the free time of women, especially mothers and those who are employed. Formal and informal groups of women will be sought out to engage their participation and assistance in mobilizing women at all stages of the project. In cases where community champions can be discovered, they will be encouraged to lead informal discussions about the issues involved.

In the conduct of social assessments for the various components of the KRLP at this stage, this framework for ensuring participation of women in the process will be adopted. Meanwhile, a community gender and development strategy will be proposed for consideration a priori, in order to have it in place by the time the components get implemented.
Institutional Arrangements
For grant activities that require a specific social safeguard documents, the Safeguard Coordinators, as assigned by the PCS and DOI, will oversee the identification, preparation, and compliance with the relevant safeguard documents addressing ethnic groups concerns (e.g. RAP, IPDP, land titles, consultation reports, etc). The final responsibility for the compliance with the ESSF lies with the respective PCS and DOI Project Managers.

Main References
World Bank, 1996 - Participation Sourcebook (Online: www.worldbank.org/wbi/sourcebook/sbhome.htm)
World Bank, 2005 - Operational Policy 4.10: Indigenous Peoples
  - Operational Policy 4.10: Indigenous Peoples, July 2005
  - Bank Procedure 4.10: Indigenous Peoples, July 2005
  - World Bank Indigenous People Website
Annex V – KRLP Resettlement and Compensation Policy Framework

Background
The Bank's Operational Policy 4.12: Involuntary Resettlement is triggered in situations involving involuntary taking of land and involuntary restrictions of access to legally designated parks and protected areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts. It promotes participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement. The policy prescribes compensation and other resettlement measures to achieve its objectives and requires that borrowers prepare adequate resettlement planning instruments prior to Bank appraisal of proposed projects.

General Principles
Both the procedures and principles described in 2005 Decree and Implementing regulations on the Compensation and Resettlement of People Affected by Development Projects and the WB Operational Policy on Involuntary Resettlement (OP4.12) will be applied. In this regard the following principles and objectives would be applied:

a) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible.

b) All PAPs are identified in the project impacted areas as of the date of the baseline surveys. They are entitled to be provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels. Lack of legal rights to the assets lost will not bar the PAP from entitlement/compensation to such rehabilitation measures.

c) The rehabilitation measures to be provided are: (i) cash compensation at replacement cost without deduction for depreciation or salvage materials for houses and other structures; (ii) agricultural land for land of equal productive capacity acceptable to the PAP; (iii) replacement of residential and commercial land of equal size acceptable to the PAP; (iv) and transfer and subsistence allowances.

d) Replacement residential and agricultural land will be as nearby as possible to the land that was lost, and acceptable to the PAP.

e) Plans for acquisition of land and other assets and provision of rehabilitation measures will be carried out in consultation with the PAPs, to ensure minimal disturbance.

f) The compensation, resettlement and rehabilitation activities will be satisfactorily completed before a no objection from the WB will be provided for award of contract of civil works under each sub-project.

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

5 “Agricultural land for land of equal productive capacity” means that the land provided as compensation should be able to produce the same or better yield the PAP was producing on his/her previous land. The production should be in the planting season immediately following the land acquisition. It can be for a future period if transitional allowance equal to the household’s previous yield is provided to the PAP household while waiting for the land to get back to the same productivity as the previous land.
h) The PCS or the DoI/MAF will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation and implementation of the compensation program.

Two types of resettlement plans are foreseen for the KRLP activities:

1. **Partial Resettlement Plan.** In case where the impact of land and property acquisition by the each sub project component are minor\(^6\), a *partial Resettlement Plan* for each such project component will be prepared by the respective Provincial Project Implementation Office (PPIO) and submitted to the WB for its concurrence. Each partial Resettlement Plan will include: (a) an inventory; (b) a socioeconomic survey; (c) detailed compensation and entitlement information; (d) payment and rehabilitation schedule; and (e) cost estimate and funding source. The forms are found in the attachments. The partial Resettlement Plan will be implemented and compensation completed satisfactorily before an approval can be provided by the NPO for award of civil works contract under each sub-project.

2. **Full Resettlement Action Plan.** In case where the impact of land and property acquisition by the each sub project component are significant\(^7\), a *Resettlement Action Plan* for each sub project component will be prepared by the respective PPIO in accordance with the provisions of this Policy. The full plan will be submitted by the National Project Office (NPO) to the WB for its concurrence. Each Plan will include: (a) an inventory; (b) a socioeconomic survey; (c) detailed compensation and entitlement information; (d) implementation and rehabilitation activities; (e) grievance procedures; (f) arrangements for monitoring and evaluation, (g) implementation schedule and; and (h) cost estimate and funding source. The PCS or the DoI/MAF will ensure that the compensation, resettlement and rehabilitation activities will be satisfactorily completed before a no objection from the WB will be provided for award of contract of civil works under each sub-project.

**Implementation Arrangements.**
Where minimal land acquisition or relocation is unavoidable, it may occur on a voluntary basis or with compensation (possibly in-kind) provided by the grant-recipient (typically the village), but not out of the grant. In accordance with traditional practices villagers may choose to voluntarily contribute land or assets and/or relocate temporarily or permanently from their land without compensation. This can often be justified because the project will either increase the value of the remaining property or provide some other direct benefit to the affected people. Voluntary contribution is an act of informed consent. Project staff must assure that voluntary contributions are made with the prior knowledge that other options are available, and are obtained without coercion or duress. Proposals including voluntary contributions will not be submitted for approval where they would significantly harm incomes or living standards of individual owners or users (the amount contributed on a voluntary basis should not exceed 5% of that individual's holding).

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\(^6\) Impacts are considered minor if no affected people are physically displaced and less than 10% of their productive assets are lost.

\(^7\) Impacts are considered significant if the following conditions apply:
- the affected people are physically displaced and more than 10% of a household's productive assets are lost; or
- 200 or more people are affected for each sub-project (as per OD 4.12).
Where compensation is provided, Project staff will ensure that the following are agreed to before grant evaluation and provided before works are undertaken:

i) replacement of land with an equally productive plot or other equivalent productive assets;

ii) materials and assistance to replace fully solid structures that will be demolished;

iii) replacement of damaged crops, at market value;

iv) other acceptable in-kind compensation.

For both types of land acquisition (voluntary contribution or against compensation), Project staff will ensure that all occupants of land and owners of assets affected are consulted and agree to the arrangements. The proposal will include a description of the persons affected, impacts involved (e.g. land, trees, crops, houses and other structures) and agreements reached (e.g. nature and amount of compensation). Project staff will arrange a village meeting to inform villagers about their rights to compensation and options available in accordance with these guidelines. The minutes will reflect the discussions held, agreements reached and include the following:

i) for any voluntary contribution: name of contributor and details about the contribution;

ii) for land/asset acquisition against compensation: names of affected persons, impacts and details about the nature and level of compensation.

The Project staff shall provide a copy of the minutes to affected persons and confirm in private discussion with each of them their requests and preferences for compensation, agreements reached, and any eventual complaint. Copies will be kept in the project documentation and be available for monitoring and supervision. For sub-grants with significant land acquisition (e.g. affecting more than 100 persons or more than 10% of the holdings of project affected persons) a separate Land Acquisition Report will be required. For sub-grants requiring voluntary movement or resettlement of more than five households or household structures a Resettlement Report will be required. The reports will include the following elements, as relevant:

1. basic data identifying impacts and persons affected;
2. arrangements for in-kind replacement of land or for compensation at replacement cost, including signed statements by all affected landowners confirming that these arrangements are satisfactory;
3. arrangements to ensure adequate performance by contractors relating to compensation for temporary impacts;
4. a schedule of assets (other than land), which will require to be replaced as part of the construction contract, and signed statements by the affected owners confirming that these arrangements are satisfactory;
5. an implementation schedule indicating that replacement land will have been provided before implementation of the project begins;
6. a siting map and field measurements validated by villagers, showing land to be acquired and replacement land to be provided, sufficiently detailed to allow verification;
7. arrangements for disclosure of information, consultations, and procedures for pursuing grievances.

Project staff will aid the villagers in preparing the Report, which the Technical Officer at the PCS must review and forward to the Provincial Project Director for approval. No sub-grant requiring a Land Acquisition Report or Resettlement Report will be approved unless the report also has been approved by the Provincial Steering Committee and the WB. Thus, sub-grant proposals that would require demolition of houses or acquire productive land, permanently or temporary, must be carefully reviewed by Project staff. The review process should confirm that no satisfactory
alternative is available, that affected persons have been informed about their rights to compensation and assures that they have agreed with the arrangements.

**Institutional Arrangements**
For grant activities that require specific social safeguard documents, the PCS and DOI assigned Safeguard Coordinators will oversee the identification, preparation, and compliance with the relevant safeguard documents (e.g. RAP, IPDP, land titles, consultation reports, etc). The final responsibility for the compliance with the ESSF lies with the respective PCS and DOI Project Managers.

**Main References**
GOL, 2005 - Decree on the Compensation and Resettlement of People Affected by Development Projects
GOL, 2005 - Regulations for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects (2005)
World Bank, 2001 - Operational Policy 4.12: Involuntary Resettlement:
  - World Bank Involuntary Resettlement Website
Annex VI - KRLP Policy Framework on Resource Access Restriction

Background
Natural Resources Management should be carried out in close partnership with stakeholder communities. Enforcement of laws and regulations that result in restriction of access to natural resources is a sensitive issue, which if handled badly has the potential to alienate local communities and undermine conservation efforts. Restricting access to resources is usually a necessary component of resource management, however, and must at some stage be addressed in any system of protected area management.

Applied Principles
Customary resource rights derive from established, traditional or locally-recognized use, and do not depend on the possession of legal titles. Restrictions to typically legal resource uses by customary users, e.g. in implementing PA-specific regulations or zoning, should be agreed with those users through a process of informed consent and with the offer of some form of compensatory mechanism to offset loss of resource use. Informed consent must result from a process of consultation that ensure the inclusion of and equitable outcomes for the most vulnerable and most forest-dependent groups. A variety of different compensatory mechanisms is possible and may be combined, including:

- Improved resource management leading to higher future productivity;
- Assistance with resource management or planning;
- Assistance in securing resource access rights by excluding outsiders who do not enjoy such rights;
- Payment for villager involvement in patrolling or other protected area management activities;
- And support for other community development or sustainable livelihoods activities through direct provision of funds or advocacy on the part of the community to attract funds from other sources.

Access may also be restricted in cases where users do not have customary resource rights or are using resources in ways that are clearly illegal under national legislation. Clearly illegal activities include the use of explosives, military weapons, poisons or electricity in hunting or fishing, the hunting or possession of Restricted species (*sensu* MAF Regulation 360), or the hunting of Managed species (*sensu* MAF Regulation 360) for sale.

Implementation Arrangements
In case that resource access restrictions will apply, the Project will develop village resource use agreements. They should seek assistance for developing their work with communities before seeking funds for enforcing resource access restriction amongst customary users. In many cases separate funding will be needed to support the process of reaching agreements, prior to the implementation stage. Where proposed activities do include elements of such enforcement activities, they must include the following documents:

- A copy of the village resource use agreement, including details of the resources involved, their location, the volumes currently extracted and the user groups; the restrictions to be imposed; the compensatory mechanisms agreed upon; complaint mechanisms; and participatory monitoring arrangements. A sample of a village resource use agreement is provided in the Social Safeguard Operational Manual. It must be explained to villagers that the function of the agreement document is not to bind them into a permanent contract, but to make it clear to everyone what the arrangements are. Village agreements
can and should be updated and amended until a workable arrangement is found that is satisfactory to all. The agreement and project complaint mechanisms must be posted within the village in a location accessible to all.

- A short report detailing the process of consultation that led to the agreement. This must detail the approach for ensuring the inclusion of all relevant sub-groups within the community. If communities include a significant mix of ethnic groups, the report must detail how the opinions and needs of each were included, typically through the inclusion of ethnically disaggregated discussions and use of local languages whenever possible.

Villagers may readily recognize the benefits of strengthened resource management and are eager to establish rules in conjunction with the local governments and/or the Project. In most cases, however, arrival at village resource use agreements will follow a gradual process of developing cooperation and understanding, which will require special skills in consultation and participatory techniques. This will generally occur in the context of general resource and land use planning, integrated with or building upon a participatory land and forest allocation process. Local Governments should not rush into securing village resource use agreements. In the early phases, it is best to concentrate on simpler actions that directly benefit villagers, build trust and establish working relationships, including securing access to village resources by excluding non-customary users.

**Institutional Arrangements**

For grant activities that require specific safeguard documents related to resource access restrictions, the PCS and DOI assigned Safeguard Coordinators will oversee the identification, preparation, and compliance with the relevant safeguard documents (e.g. RAP, Environmental Assessment, Environmental Management Plan, IPDP, land titles, consultation reports, etc). The final responsibility for the compliance with the ESSF lies with the respective PCS and DOI Project Managers.

**Main References**

GOL, 1996 - Forest Law
GOL, 2005 - Decree on the Compensation and Resettlement of People Affected by Development Projects
GOL, 2005 - Regulations for Implementing Decree 192/PM on Compensation and Resettlement of People Affected by Development Projects (2005)
GoL, 2007 - Decision of the Prime Minister on the Endorsement of the outcome of the Nationwide Forest Conference, held in April 2007.

World Bank, 2001 - Operational Policy 4.12: Involuntary Resettlement:
- World Bank Involuntary Resettlement Website