

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY



Ministry of Public Works and Transport (MPWT)
The Department of Road (DoR) and
The Public Works and Transport Research Institute (PTRI)

Resettlement Policy Framework (RPF)

Lao Road Sector Project (LRSP2)

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Abbreviations and Acronyms

ARAP	Abbreviated Resettlement Action Plan	MoNRE	Ministry of Natural Resources and Environment
DMS	Detail Measurement Survey	MPWT	Ministry of Public Works and Transport
DoR	Department of Road	OP/BP	Operation Policy/Bank Procedure
DONRE	District Office of Natural Resources and Environment	PAPs	Project Affected Persons
DRC	District Resettlement Committee	PONRE	Provincial Office of Natural Resources and Environment
DPWT	Provincial Department of Public Works and Transport	PRO	Project Resettlement Office
EIA	Environmental Impact Assessment	PRC	Provincial Resettlement Committee
EG	Ethnic Groups	PTRI	Public Works and Transport Research Institute
EGDF	Ethnic Groups Development Framework		
EGDP	Ethnic Groups Development Plan	RAP	Resettlement Action Plan
ESD/PT RI	Environmental and Social Division of PTRI	RMF	Road Maintenance Fund
ESMF	Environmental and Social Management Framework	RoW	Right of ways
ESOM	Environmental and Social Operations Manual	RPF	Resettlement Policy Framework
ESU	Environmental and Social Unit	SA	Social Assessment
FMC	Feedback and Mediation Committee	SIA	Social Impacts Assessment
GoL	Government of Laos	VRC	Village Resettlement Committee
GRC	Grievance Redress Committee	WB	World Bank
GRM	Grievance Redress Mechanism		
GRMS	Grievance Redress Mechanism Services		
IEE	Initial Environmental Examination		
Lao PDR	Lao People's Democratic Republic		
LAR	Land acquisition and resettlement		
LACR	Land acquisition and compensation report		
LRSP2	Lao Road Sector Project 2		
LFNC	Lao Front for National Construction		
LRSP	Lao Road Sector Project		
LWU	Lao Women Union		

Definitions and Terms

- **Beneficiary** - all persons and households from the villages who voluntarily seek to avail of and be part of the Project.
- **Compensation** - payment in cash or in kind of the replacement cost of the acquired assets.
- **Cut-off Date** - the date prior to which the ownership or use establishes eligibility as displaced persons for compensation or other assistance. The cut-off date is established in the RP. It normally coincides with the date of the census of affected persons, or the date of public notification regarding the specific civil works that would cause displacement. Persons coming into the project area after the cut-off date are not eligible for compensation or other assistance.
- **Displaced persons** - refers to all of the people who, on account of the activities listed above, would have their (1) standard of living adversely affected; or (2) right, title, interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed temporarily or permanently; (3) access to productive assets adversely affected, temporarily or permanently; or (4) business, occupation, work or place of residence or habitat adversely affected; and “displaced person” means any of the displaced persons.
- **Entitlement** – range of measures comprising compensation, income restoration, transfer assistance, income substitution and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.
- **Household** - means all persons living and eating together as a single social unit. The census used this definition and the data generated by the census forms the basis for identifying the household unit.
- **Income restoration** - means re-establishing income sources and livelihoods of PAPs to a minimum of the pre-project level.
- **Improvements** – structures constructed (dwelling unit, fence, waiting sheds, pig pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.
- **Land acquisition** - the process whereby a person involuntary loses ownership, use of, or access to, land as a result of the project. Land acquisition can lead to a range of associated impacts, including loss of residence or other fixed assets (fences, wells, tombs, or other structures or improvements that are attached to the land).
- **Project Affected Persons** (PAPs) - includes any person or entity or organization affected by the Project, who, on account of the involuntary acquisition of assets in support of the implementation of the Project, would have their (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house and buildings, land (including residential, commercial, agricultural, plantations, forest and grazing land) water resources, fish ponds, communal fishing grounds, annual or perennial crops and

trees, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily; and (iii) business, profession, work or source of income and livelihood lost partly or totally, permanently or temporarily.

- **Rehabilitation** - the process by which displaced persons are provided sufficient opportunity to restore productivity, incomes and living standards. Compensation for assets often is not sufficient to achieve full rehabilitation.
- **Replacement cost** - is the method of valuation of assets which determines the amount of compensation sufficient to replace lost assets, including any necessary transaction costs. Compensation at replacement cost is defined as follows: For agricultural land, it is the pre-project or pre-displacement, whichever is higher, market value of land of equal productive potential or use located in the vicinity of the affected land, plus the cost of preparing the land to levels similar to those of the affected land, plus the cost of any registration and transfer taxes. For land in urban areas, it is the pre-displacement market value of land of equal size and use, with similar or improved public infrastructure facilities and services and located in the vicinity of the affected land, plus the cost of any registration and transfer taxes. For houses and other structures, it is the market cost of the materials to build a replacement structure with an area and quality similar to or better than those of the affected structure, or to repair a partially affected structure, plus the cost of transporting building materials to the construction site, plus the cost of any labor and contractors' fees, plus the cost of any registration and transfer taxes. In determining the replacement cost, depreciation of the asset and the value of salvage materials are not taken into account, nor is the value of benefits to be derived from the project deducted from the valuation of an affected asset. Where domestic law does not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures so as to meet the replacement cost standard. Such additional assistance is distinct from resettlement measures to be provided under other clauses in OP 4.12, Para. 6.
- **Resettlement** – is the general term related to land acquisition and compensation for loss of asset whether it involves actual relocation, loss of land, shelter, assets or other means of livelihood.
- **Vulnerable Groups** - are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households headed by women, the elderly or disabled, (ii) households living below the poverty threshold, (iii) the landless, and (iv) ethnic groups

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I. Introduction

1. This document is the **Resettlement Policy Framework (RPF)** for the Lao Road Sector Project 2 (LRSP2 or the Project). The proposed Lao Road Sector Project 2 (LRSP2) builds on the achievements of the Lao Road Sector Project (LRSP) and is being prepared to support the Government of Lao PDR (GoL) in the management of the Lao road network. The project will finance civil works in the form of routine and periodic maintenance and spot improvement to strengthen road climate resilient. The project will undertake a programmatic approach towards physical investments with counterparts identifying candidate projects using technical and social criteria. The project may also have parallel and complementary funding for civil works provided by other donors such as the Nordic Development Fund (NDF)¹, the European Investment Bank (EIB) and the European Union (EU). The project will also undertake technical assistance activities—including strengthening the capacity of the Ministry of Public Works and Transport (MPWT) to prepare and implement public-private partnerships²—with a particular focus on addressing the climate change challenges that the road network is facing.

The Project Development Objective (**PDO**) is to strengthen maintenance systems to improve reliable road connectivity in Lao PDR and, in the event of an Eligible Crisis or Emergency, to provide immediate and effective response to said Eligible Crisis or Emergency.

2. The project is envisaged to potentially be sector wide, with investments—particularly in routine maintenance—being expanded to all of the Lao PDR in the future. Annex A presents locations map, and key features of the Lao PDR and its road network map. During the first phase, six provinces have been identified as candidates for piloting: Phongsaly (PSL), Oudomxay (ODX), Xayabouli (XBL) Houaphan (HP), Xiengkhouang (XK), and Bolikhamxay (BKX).

Project Component

3. **Component 1: Climate Resilient Road Maintenance:** (US\$46.3 million including contingencies). This component will pilot test maintenance approaches and contracting modalities in six provinces to increase the overall climate resilience of the road network.

1.1: Climate Resilient Periodic Maintenance and Spot Improvements: Many existing roads—especially gravel—are in too poor a condition for routine maintenance to be effective. The project will undertake periodic maintenance and spot improvements to bring the condition up to a point where the roads will be

¹ NDF has expressed interest in supporting TA on capacity building and development of tools necessary to address Climate resilience aspects of road network as well as some pilot testing of civil works to test solutions.

² In accordance with the “Interim Guidelines on the Application of Safeguard Policies to Technical Assistance (TA) Activities in Bank-Financed Projects and Trust Funds Administered by the Bank” the project has been classified as Category A for environment and safeguards since the PPP related activities arising from this technical assistance support in the future may lead to major environment and/or social impacts downstream when these activities are implemented. The PPP road investment itself is outside the scope of the project. Also preparation of Feasibility Study (FS) and safeguards instruments that meet Category A requirements for the NR13 PPP project is already underway under the on-going Lao Road Sector Project (LRSP).

maintainable going forward with routine maintenance.³ Where required, climate resilience interventions may include elevating flood prone road sections, paving road sections with steep slopes and sections passing through large communities, drainage improvement or construction, and slope improvement and stabilization. Under this component road safety issues would be considered, such as improvements in road furniture.

1.2: Routine Maintenance: The project will implement routine maintenance contracts for national roads and introduce area wide contracts for provincial and district roads. The latter would entail grouping all maintainable non-national roads in an area, e.g., district or province, into one contract to undertake routine maintenance activities. The contract design, modalities, etc. will be confirmed at the onset of implementation, but it is envisaged that some form of performance based contracting would be carried out on a pilot basis. Activities will build on lessons from local experience with community-based road maintenance groups and micro-enterprises.

1.3: Design and supervision of civil works: The component will cover technical assistance and operating costs for design and supervision of investment activities, as well as quality assurance for maintenance and spot improvement works in the selected Provinces under 1.1 and 1.2.

4. **Component 2: Institutional Strengthening:** (US\$7.9 million including contingencies) to provide technical assistance, goods, training, and operating costs for:

2.1. Sector Strategic Planning: (a) provide high-level policy advice for updating and operationalizing the Sector Strategy to 2025 and Action Plan to 2020; and (b) develop the strategic planning framework for provinces, including assessment and optimization of the road sector financing and integration of climate change adaptation.

2.2. Climate Resilient Road Asset Management: (a) support MPWT to (i) develop its climate change action plan as described in the Intended Nationally Determined Contribution (INDC), (ii) participate in the cross-ministerial National Disaster Management Committee, and (iii) implement the INDC; (b) operationalize the hazard maps into practical vulnerability maps for planning of infrastructure maintenance or investments; (c) review current planning tools (including RMS, PROMMS) to (i) include risk-based planning by identifying sections vulnerable to extreme weather, and (ii) operationalize the ICT platform to include hazard risks and links to provincial levels; (d) support annual field surveys for data collection and inputs in RMS and PROMMS for risk-based planning; I review current design, standards and guidelines in cooperation with other development partners

³ Many of these roads require heavy periodic maintenance to reconstruction, and the outcome would be an ‘excellent’ road. Since there is insufficient budget to achieve this across the network, the objective would be to improve the road to ‘fair’ and then undertake regular routine maintenance to keep the road in that condition.

in the sector to incorporate climate resilience aspects; and (f) further develop standards of operation for emergency repair.

2.3. Sector Governance: (a) improve the ICT platform (IRAM) to (i) support procurement, management, monitoring, and information disclosure and e-archive, (ii) cover local roads, and (iii) support roll out of the ICT platform to DPWTs; (b) upgrade the RMF and DPWTs' accounting system and development of expenditure tracking tools; and (c) strengthen internal controls through: (i) the rolling out of the road sector technical audit guidelines to provincial level, (ii) the strengthening of technical capacities of provincial level internal control units, and (iii) supporting the inspection tasks in six pilot provinces.

2.4. Sector Capacity Building: (a) provide technical training for MPWT, DWT, and OPWT on climate resilient design, repair and maintenance, improved road asset management systems and tools including data collection, PBC contract management, and PBC implementation training for contractors in collaboration with local institutions, regional twinning arrangements, and curricula development for tertiary education institutions in country; (b) provide technical assistance and training to MPWT, DPWT, OPWT and relevant government agencies for the future implementation of investment projects in the road sector through development of environmental and social safeguards management and monitoring, ; and (c) support the preparation of the environmental and social aspects of selected sections of national highway 13 north and south, (d) update environmental documents including the Environmental and Social Operation Manual (ESOM).

2.5. Road traffic safety: Provide technical Assistance to the National Traffic Safety Council and Department of Transport (DoT), including update and implementation of the traffic safety action plan, and roll out of public awareness raising campaigns.

5. **Component 3: Project Management:** (US\$2.9 million including contingencies) to finance consulting services, goods, and IOC, for: (i) Project management and coordination for day-to-day implementation, and coordination among the implementing departments; (ii) Monitoring and Evaluation of activities including impact evaluation, and beneficiary satisfaction assessments; (iii) financial and technical audit; and (iv) procurement advisory support.

6. **Component 4: Contingency Emergency Response:** This 'zero component' (initially without any allocations of funding) will allow for the rapid reallocation of funds required for emergency recovery. An Emergency Response Operations Manual will apply to this component, detailing financial management, procurement, safeguards and any other necessary implementation arrangements.

7. The Project will be implemented using Government systems. MPWT will be the implementing agency with the overall management and coordination of the Department of Planning and Cooperation (DPC). DPC will also be responsible for ensuring that the implementation report of the Project comprise a section on safeguards implementation.

The Department of Roads (DoR) will be responsible for planning and implementation of road related activities under Component 1. DoR will work in close coordination with and provide technical support to the provincial DPWTs in the Project provinces tasked with carrying out the works and supervision, and with PTRI tasked with road asset data collection and analysis and overall supervision and monitoring of the implementation of environmental and social safeguards.

8. The ESD/PTRI will be the lead agency on the implementations of the ESMF. The ESD/PTRI will also lead safeguards supervision and monitoring at the project level including six month and annual monitoring and preparation of the six month and annual safeguard monitoring report. The ESD/PTRI will be responsible for providing safeguard training, ensuring effective mainstreaming of safeguard requirements into the road development project cycle, and undertaking research activities including updating the ESOM in close consultation with MoNRE and other agencies and the WB. The DoR will be responsible for ensuring that safeguard requirements are mainstreamed in road maintenance planning, design and pre-construction works including tendering and contracting process. At subproject level, DPWT is responsible for implementation of safeguard activities including undertaking day-to-day monitoring of safeguard measures to be carried out by contractors. The DPWT of the Project provinces will establish the Environmental and Social Unit (ESU) specifically for the road sector to be responsible for safeguards. ESU/DPWT will be responsible for carrying out monthly monitoring of contractors and implementation of other safeguard measures including preparation of safeguard monthly monitoring report to be submitted to ESD/PTRI. The ESD/PTRI, and ESU/DPWTs will be responsible for keeping proper documentations for possible review by the WB. The Department of Transport (DoT) will be responsible for implementation of the road safety program to be implemented under the Project. More details of Roles and Responsibilities on Safeguards are described in the Environmental and Social Management Framework (ESMF).

1.1 Need for RPF

9. Given the proposed Project activities, the Project will not involve major physical relocation of permanent structure and/or involve major resettlement of peoples. The civil works activities will focus on provincial and district routine and periodic road maintenance, including spot improvement in order to improve climate resilience and road safety of provincial and district road networks. It is envisaged that all activities would be carried on the existing carriageway within the existing right of ways (RoW). However, there is a possibility of minor re-alignments to improve road safety and/or strengthening road climate resilience. Investment activities may include elevating flood prone road sections, paving road sections with steep slope and the sections passing through big communities, drainage improvement/ construction, slope improvement/stabilization etc. The environmental impacts from these activities will be minor, localized, temporary, and can be mitigated. Potential impacts include dust dispersion, noise, traffic obstruction and access, construction and road safety, etc.

10. The policy is triggered because the Project may involve minor land acquisition for road maintenance in some areas where minor realignments will be necessary to ensure stability and safety of road works. Most of the works will be conducted in existing roads and will not involve major expansion that could significantly affect trees and other roadside private assets and/or

lands. However, there is a possibility of impacts related to temporary land acquisition including potential restriction of access. Given that the exact list of such subprojects has not yet been defined by appraisal, it is necessary to prepare a Resettlement Policy Framework (RPF) in line with the WB safeguard policy on Involuntary Resettlement (OP/BP 4.12). The RPF describes policies and procedures to avoid, minimize or mitigate negative impacts that may result from the Project investments including defining scope of a Resettlement Action Plan (RAP) or an abbreviated RAP⁴ (ARAP) which will be required when involuntary land acquisition occurs. The need for the preparation of RAP or ARAP will be identified during the safeguard screening to be conducted as part of the road maintenance investment plan, which will be prepared annually. WB approval of RAP/ARAP will be required. The RPF is an integral part of the Environment and Social Management Framework (ESMF). Potential impacts due to TA activities on PPP investment will be addressed under the ESMF.

II. Project Description Related to OP/BP 4.12

11. Under the Component 1, road maintenance and climate resilient related works will include periodic maintenance, spot improvement, and routine maintenance through performance-based contracts. The civil works activities will focus on national, provincial, and district routine maintenance and periodic road maintenance, including spot improvement in order to improve climate resilience and road safety of provincial and district road networks. It is envisaged that all activities would be carried on the existing carriageway within the existing right of ways (RoW). However, there is a possibility of minor re-alignments to improve road safety and/or strengthening road climate resilience. Spot improvement of critical sections aims to improve the road's climate resilience and may include elevating flood prone road sections, paving road sections with steep slopes and sections passing through large communities, drainage improvement and slope improvement/stabilization. Given the limited size of the investment and low traffic volume, spot improvement activities would be carried out only on critical sections of the existing carriageway, not the whole road, within the existing right of way and may involve minor re-alignments to improve road safety and strengthening road climate resilience. Periodic maintenance would include re-gravelling and re-sealing of existing roads, and routine maintenance would include drainage cleaning, patching of potholes, clearing of roadside vegetation, light grading, etc.

III. Policy, Legal, and Institutional Settings

3.1. National Legal and Regulatory Framework

12. *Government Laws, Decrees, and Guidelines:* The legal context in Lao PDR has been changing rapidly over the last few years. Compensation principles and policy framework for land acquisition and resettlement are governed by several laws, decrees and regulations as follows: (a) The Constitution (1991), (b) the Land Law (2003, being revised), (c) Road Law (1990), (d) Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (CR Decree No.192/PM, dated 7 July 2005, being revised), and (e)

⁴ In Lao PDR, per the Decree 192/PM, preparation of a Land Acquisition and Compensation Report (LACR) is needed when the impacts are small and scope of the report is similar to the abbreviated RAP (ARAP) as defined in WB OP/BP 4.12 (as defined in OP/BP 4.12, Annex A).

Regulations for Implementing Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (No.2432/STEA, dated 11 November 2005, being revised). The Technical Guidelines of the CR Decree were finalized and training also provided to key agencies and provinces. Approval of a new decree on Environmental Impact Assessment (EIA) in February 2010 provided a strong legal basis for development projects to conduct social assessment and plan/implement mitigation measures as needed. A number of technical guidelines including the Public Involvement Guideline (PI) was approved in 2012 and being used. However, establishment of the Ministry of Natural Resources and Environment (MoNRE) in 2011-2012 and the Government policy on decentralization (Sam Sang policy) have resulted in the establishment of an EIA regulation and an Initial Environmental Examination (IEE) regulation as well as revision of some legislation related to natural resources management. The Land Law is being revised.

13. Below are some key provisions of relevant laws, and decrees that are of critical importance for land compensation and resettlement.

- *The Constitution:* Article 14 of the Constitution declares that the State protects and promotes all forms of state, collective, and individual ownership. Article 15 declares that the land within the Lao PDR is owned by the national community and that the State ensures the rights of citizens to use, transfer, and inherit it in accordance with the law. Article 8 establishes the right of all ethnic groups relative to the preservation and promotion of their customs and heritage. All acts of division and discrimination among ethnic groups are prohibited. The Constitution defines that all "citizens of all ethnicity" have rights in education, health, land use and ownership, domicile of choice, and economic development regardless of sex, religion, social status, education, or ethnicity; as well as freedom of religion, freedom of speech; freedom to peacefully assemble and to protest. All citizens have the right to work and carry out their chosen livelihoods. Articles 8 and 22, guarantee that there will be no discrimination on the basis of ethnicity or gender. Articles in the Constitution where ethnic People are specifically mentioned are as follows: Article 1 – Lao PDR is a nation unified and indivisible of all ethnic communities; Article 2 - all power is of the people, by the people, and for the use of the multi-ethnic people; Article 3 - the right of a multi-ethnic people to be owners of the nation is exercised and guaranteed by the political system; Article 7 - mass organizations are the focal point for the solidarity and mobilization for citizens of all backgrounds and ethnicity as participating members in the safeguarding and edification of their rights and interests; Article 8 - the State will carry out a policy of unity and equality among the various ethnic communities. All ethnic communities have the right to preserve and improve their own traditions and culture and those of the nation. Discrimination between ethnic communities is forbidden. The state will carry out every means in order to continue to improve and raise the economic and social level of all ethnic communities; Article 13 - the economic system is for the purpose of improving the standard of living, materially and spiritually, of a multi-ethnic people; Article 19 - the State and the people will collaborate to build schools of all levels in order that a complete education system will be available to all, especially areas inhabited by ethnic People; and Article 22 - all Lao citizens, regardless of their sex, social position, education, beliefs or ethnicity, are equal before the law.
- *The Land Law*, adopted by the National Assembly in 2003⁵, is the principal legislation by which the State exercises its constitutional responsibility for tenure, access, use and

⁵Land Law 2003 supersedes the Land Law 01/97 dated 12 April 1997.

management, preservation of land. Several articles of particular importance to resettlement are summarized as follows: Article 3 reaffirms that all land in the Lao PDR is the property of the national community (as stated in the Constitution, Article 15) for whom the State is the uniform central administrative representative throughout the Country and individuals... are assigned to effectively use the land... (only non-forest land in private title or land held under a long-term lease can be transferred). Article 5 protects the legal rights and benefits of those who have effectively received the right to use land including the right to transfer it. Article 11 classifies land into eight categories, and subsequent chapters of the Law are concerned with the management of each. The categories are: agricultural land, forest land, water area land, industrial land, communication land, cultural land, defense and security land and construction land. Article 43, refers to the certification of the lawful land use rights of persons or entities. There are two land registration methods (Article 44) by which individuals can register the land which they are using lawfully. First is systematic land registration, which is carried out throughout a designated area where land allocation, zoning, or classification is required. Systematic registration confers a Land Title. Second, persons or entities can make application to certify their right to use certain land. Under Article 48, land certificates are issued certifying the temporary right to use agricultural or forest-land which are issued by district level authorities. These land certificates can be inherited, but cannot be transferred or used as collateral.

Article 53 states that persons who have received the right to use the land have the following rights: to protect land for use for a specific objective, to use land a specific purpose in accordance with the State's allocation plan, to enjoy usufruct or income from the land, to transfer the right of land use, and to inherit the right of land use. Article 63 states that the right of land use shall terminate either through voluntary relinquishment of the land or if the State retrieves the land for public purposes. However, the landholder is entitled to just compensation for the taking of the state (Article 70). Compensation is treated in Articles 68 to 72 of the Land Law. Article 70 states that persons or entities requiring a right-of-way and thereby cause damage to crops or buildings must make appropriate compensation. Article 71 states that when the use of land belonging to other persons or organizations becomes necessary for the public interest, the State will compensate any damage suffered by the rightful user of the requisitioned land, as appropriate. Furthermore, the Law requires that each village, province, municipality, or special zone keep five percent of its total land area in reserve to ensure the compensation of requisitioned land. Evaluation of the damage is provided for by Article 72, which states that the evaluation will be done by a committee composed of representatives of the various concerned parties. The Land Law does not specifically address itself to unregistered land users. It does, however, provide the registration and certification methods described above by which individuals can register the land which they are using lawfully. Article 82 further provides that persons or entities that are lawfully keeping, using, and developing land with efficiency will be awarded the right to use that land, all other conditions being met.

- The Land Law also stipulates that, in cases when public infrastructure development projects cause damages to trees, crops or buildings of private owners, the land owners have the right to be compensated for the damages. Ethnic communities maintain land tenure user rights equal to all Lao citizens with certain specifications and even preferential access and customary user rights to certain forest products (Forestry Law, Article 30; MAF Regulation 535; MAF Orders 54 and 377). Customary rights on land use among the ethnic communities are passed down from generation to generation.

Traditionally, no land titles were involved and no boundaries were officially demarcated. In remote rural areas, these customary rights are still practiced to the acceptance of the local authorities widely. Many ethnic communities have traditionally recognized certain areas of forest as sacred forest sites. In addition, among ethnic communities, individuals or households were considered to be the owners of specific trees, such as those used for resin tapping or that may have ancestral spiritual significance. These are important aspects of village cultural and economic life that need to be investigated and strictly respected.

- The *CR Decree 192*: This Decree defines principles, rules, and measures to mitigate adverse social impacts and to compensate damages that result from involuntary acquisition or repossession of land and fixed or movable assets, including changes in land use, restriction of access to community or natural resources affecting community livelihood and income sources. This Decree aims to ensure that project affected people are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not worse off than they would have been without the project. The provisions will be applied during the preparation and implementation of the social impacts assessment (SIA), the social impact mitigation and monitoring plan, and/or the resettlement action plan (RAP). Technical Guideline for this Decree was established in 2010 and revised in 2012. While DESIA is responsible for review and approval of the SIA with consent from the province, the province under supervision of the Provincial Resettlement Committee (PRC) is responsible for overseeing the implementation of the Decree which will be carried out by the project owner. The Decree is being revised in line with the current organization and regulations and in accordance with the Government policy regarding decentralization (Sam Sang). It is expected that the revised Decree will be approved by the Prime Minister in late 2016.
- Key articles of relevance to the Project's resettlement are as follows: Article 6 - Compensation principles state that before compensation, a joint committee will be established to assess loss to Project Affected Persons (PAPs). PAPs will be entitled to compensation for structures at replacement cost, compensation will be payable for losses of income due to the project, and those without documented legal title will still be entitled to compensation for lost structures and other support so as not to be negatively impacted. Article 6 - paragraph 6. States that PAPs including ethnic minorities who are living in rural or remote areas, who do not have any legal Land Use Certificate or any other acceptable proof indicating land use right to the affected land and assets they occupy shall be compensated for their lost rights to use land and for their other assets at replacement cost and provided additional assistance to ensure that they are not worse-off due to the project. PAPs in urban areas, who do not have any legal Land Use Certificate or any other acceptable proof indicating land use right to the affected land and assets they occupy and who have no land at other places will be compensated for their lost rights to use land and for their other assets at replacement cost and other additional assistance to ensure they are not worse off due to the project. Article 8 - entitlement to economic rehabilitation measures if more than 20% of income-generating assets are lost due to a development project. Article 11 - voluntary donation of land by PAPs is only acceptable if the impact on their income generation is not significant (less than 20% reduction), no physical displacement is caused, and APs are fully aware of their entitlements before relinquishing them. Article 11 - project proponents will define mitigations measures and socioeconomic benefits to improve the status of ethnic communities which will be developed in consultation with the communities and in harmony with their cultural preferences. Article 17 of the Decree - requires a separate section on indigenous peoples

issues and mitigation measures in the RAP. Where impacts on ethnic peoples are more significant an Ethnic Groups Development Plan (EGDP) will be prepared. The decree and its guidelines rectify key areas of the Land Law which would prevent informal land users from any eligibility, and also sets a clear definition of the “reasonable compensation” mentioned in the Land Law and determines these as replacement cost.

- *The Forestry Law states* (i) that forests and forest land can be converted to other uses (i.e. for transmission line right of way) when necessary and in the public interest (subject to approval) from responsible authorities; (ii) an individual or organization given permission to convert forest to another use is responsible for payment of a conversion fee, land reclamation and tree planting; (iii) provision for allowing long practiced activities such as collecting wood for fences and fuel, non-timber forest products (NTFP), hunting and fishing for non-protected species for household consumption, and other customary uses. For removal of forests, compensation is based on the volume of timber (m³) of a given class of tree that will be cut down. Compensation is only paid for timber removed from private forestry plantations. No compensation is paid for timber removed from natural forests on public lands. Nor is any compensation paid for removal of NTFP such as bamboo. There is no requirement to replant trees on degraded land located away from a transmission line corridor, as compensation for removing trees to create transmission line right-of-way. Such forms of compensation only apply to reservoir clearing projects where it is necessary to plant trees to stabilize slopes that could otherwise fail through a process of mass wasting.
- *The Road Law (1999) states* that Ministry of Public works and Transport manages and uses the land for the road activity in conformity with the determination in the land law. Road width shall have the area consisting of the carriageway, shoulders, pathways, drainages, slope of road and Right of Way (Article 17). Within the Right of Way, it shall be banned all constructions and other activities. In vital case, it shall be requested the permission from the road management authority (Article 21). The Law is being revised.
- The 1992 ethnic policy, *Resolution of the Party Central Organization concerning Ethnic Affairs in the new Era*, focuses on gradually improving the living conditions of the ethnic communities, while promoting their ethnic identity and cultural heritage. The general policy of the Party concerning the ethnic communities include: Build National Sentiment (national identity); Realize Equality among ethnic communities; Increase the Solidarity Level among ethnic communities as members of the greater Lao family; Resolve Problems of Inflexible and Harmful thinking, as well as economic and cultural Inequality; Improve the living Conditions of the ethnic communities step by step; Expand, to the greatest extent possible, the good and beautiful Heritage and ethnic Identity of each group as well as their Capacity to participate in the affairs of the nation. The Project may involve minor or temporary land acquisition for road maintenance work in some areas where ethnic minority groups or communities reside. No major loss of land is anticipated because the work will be carried out within existing roads and may involve minor realignments without expansion, which may affect trees and other roadside private assets. However, an separate Ethnic Group Development Framework (EGDF) is designed and applied under the LRSP2 to ensure that the ethnic groups are not adversely affected and their livelihood is not worst off as a result of project implementation.

3.2 World Bank Policy on Involuntary Resettlement (OP/BP 4.12)

14. The OP/BP 4.12 is triggered for this Project. It requires that all investments and activities financed under the Project comply with the policy whether or not they are directly funded in whole or in part by the World Bank funds. The OP/BP 4.12 provides essential guidance on objectives and principles that are applicable in projects generating land acquisition and resettlement-related impacts. Key objectives and definitions are as follows:

- Every reasonable effort will be made to avoid or minimize the need for “land acquisition”, and to minimize all resettlement-related adverse impacts. If land acquisition and associated adverse impacts cannot be avoided, the principle objective of the RPF is to ensure that all persons subjected to adverse impacts (“displaced persons”) are compensated at “replacement cost” for lost land and other assets and otherwise provided with any “rehabilitation” measures or other forms of assistance necessary to provide them with sufficient opportunity to improve, or at least restore, their incomes and living standards.
- The definitions on “displaced persons”, “replacement cost”, “land acquisition”, “rehabilitation”, and “cut-off-date” provided in this report will be used.

15. The WB policy on Public Consultation and Information Disclosure (OP/BP 17.50), which defines the Bank’s requirements for giving the public access to project information and documentation, will also apply.

3.3.1 Key Differences in Lao PDR Law and World Bank Policies

16. Promulgation of GoL’s compensation and resettlement Decree 192/PM represents a significant improvement in the rights of citizens when their livelihoods, possessions and society are affected by development projects. Both the compensation and resettlement decree and World Bank policy on involuntary resettlement entitle the Project Affected Persons (PAPs) to compensation for affected land and non-land assets at replacement cost. However, there are some differences between World Bank (OP/BP 4.12) and the Decree 192/PM (see Table below). The first difference is on the definition of severely affected PAPs in which OP/BP 4.12 defines at 10% of affected value while Decree 192/PM defines at 20% of affected values. The second difference is on entitlement description for non-titled PAPs in which Decree 192/PM provides more specific details. Other differences include Decree 192/PM encourages PAPs for voluntary land donations while OP/BP 4.12 discourages land donation while different names are used for preparation of resettlement action plan when minor land acquisition is required.

Differences between Relevant Lao and World Bank Social Safeguard Policies

Different Aspect	Government Decree 192/PM	WB OP/BP 4.12	Measures included in the ESMF and LRSP2 Design
Definition of severely affected PAPs	Those PAPs who are affected at value equal to or more than 20% of income generating assets (Article 6).	Those PAPs who are affected at value equal to or more than 10% of income generating assets (Article 8)	The project will use 10% for the definition of the severely affected PAPs and for preparation of future mitigation

			plans.
Entitlement of non-titled PAPs	PAPs living in rural or remote areas or PAPs in urban areas who do not have proof of land-use rights and who have no other land in other places will be compensated for loss of land-use rights at market replacement cost, in addition to compensation for their other assets and other assistance. Should PAPs be found to be non-titled and required to relocate, the development project will ensure they are provided market replacement land at no cost to the PAPs, or cash sufficient to purchase market replacement land.	Non-titled PAPs will be compensated for affected assets at market replacement cost and other assistance so that they are not made worse off due to the development project.	All project affected persons regardless of their status of title holding will be compensated for their affected assets at replacement cost in line with the World Bank OP.
Voluntary land donation	Implicitly and explicitly encourages voluntary donation of land (Article 11).	Discourages land donation	The project will accept the practice of genuine voluntary land donation. The project will adopt a set of criteria and a process to verify and ensure the genuine voluntary nature of such donations, and document fully the transaction process of such donations.
If small land acquisition is involved	Require preparation of a Land Acquisition and Compensation Report	Require preparation of abbreviated RAP (ARAP)	The project will prepare land acquisition plan

	(LACR)		as required under World Bank OP. This plan will also serve as the LACR in line with Government Decree 192
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17.

18. The project will follow the World Bank OP 4.12 where such discrepancies outlined above occur.

IV. Potential Project Impacts

4.1 Social Background

19. Key environment and social background of the pilot Project provinces are as follows:

- Bolikhamxay (BKX)*: The province (14,863 km²) is located in the central part of the country and is the gateway connecting Vientiane Capital and the southern provinces (NR13) as well as between Thailand and Vietnam (NR8). The area is mountainous along Vietnam border in the east while a flat plain exists along the Mekong River in the west. BKX is rich in culture, water, forest, biodiversity, and other natural resources. However, forest resources decreased rapidly due to logging (legal and illegal) and rapid development. BKX comprises 7 districts (Pakxan, Thaphabath, Pak Kading, Bolikhan, Kamkert, Viengthong, and Xaychampon), 28 Kumban, 411 Ban (village), 46,304 households (HH) with a total population (in 2013) of 271,656 of which about 50% is female. The majority (80%) of the people practices agriculture. The average population growth rate is about 2.4%, average population density is 15 persons per square kilometres (km²), and the average income was about 8 million kip per capita per year (in 2010). BKX has 22 ethnic communities including a Lao majority which accounts for about 60% of total population in the province. The non-Lao majority (ethnic groups) include Hmong, Khmu, Phong, Toum, Makong, etc. There are also many cultural sites/land marks and a number of tourism spots for cultural, historical, and natural tourist site-seeing. Development activities in BKX, especially in Pakxan and Khamkeuth Districts, have been rapid and are expected to accelerate in the next 5 years.
- Xiengkouang (XK)*: The province (15,880 km²) is located in the north east of the country on the XK Plateau which is a large area of level land in the country. The province is mountainous and borders with BKX, Vientiane Province, Luang Phabang, Houaphan, and Vietnam. The area is characterized by rolling hills and grassland at altitude averages 1,300 meters (m) including the country's highest peak, PhouBia (2,820 m) and a Plain of Jars (located in the plateau's center). Nam Et-Phou Louey is an important national protected area. The province comprises 07 districts (Paek, Kham, Nonghed, Khoun, Morkmai, Phoukoud, and Phaxay) with a total population

(in 2014) was 231,254 including 113,809 women. XK has 3 main ethnic communities Lao Loum (Tai Dam, Tai Daeng, Tai Phuan), Khmu, and Hmong. Tai Dam, Tai Daeng, and Tai Phuan belong to the Lao-Tai linguistic family (Laos majority), comprising over 50% of the total population in the province while Khmu and Hmong are defined as Indigenous People under the World Bank Policy (OP/BP 4.10). XK is one of the main maize producing areas of Laos and is famous for tourism development. The main centre for trade and tourism is Phonsavan (capital) in Paek district. There are many important landmarks and tourism spots (for natural, cultural, and historical site-seeing) in the province. The Plain of Jars archaeological site is the most prominent and popular sites (it has been proposed for listing in UNESCO world heritage site).

- *Houaphan (HP)*: This mountainous province (17,363 km², about 700–1,800 m above sea level) is located in the north-eastern part of the country about 650 km from Vientiane Capital. The province borders Vietnam, XK, and Luang Phabang. Most of the terrain especially on the western side is rugged with dense mountainous forest with a small area of flat land (6% of total area). HP comprises 8 districts (Xam Neua, Xiengkhor, Viengthong, Viengxay, Houa Meuang, Xam Tai, Sop Bao, and Et, Kuan, Xone), 717 villages, 47,310 households and Xam Neua is the provincial capital. In 2014, the total population is 291,473 with 142,737 women. There are 9 ethnic communities i.e. Lao or Lao Tai, Hmong, Khmu, Lao Fong, Singmoun, Iumien or Yao, Moy or Meuang, and Chin or Hor. All these ethnic groups except those under Lao Tai ethnolinguistic family are identified as IPs under OP/BP 4.10. HP is one of the poorest in Lao PDR. However, local livelihoods have been improved. National Road #6 is the main road running through the province. The province is famous for tourism especially regarding to mountainous landscape with numerous caves which were settled by revolutionary leaders during the Indochinese war, unique ethnic culture and handicrafts.
- *Xayabouly (XBL)*: The province (16,389 km²) is located in the northwest of Laos on the western side of the Mekong River and connected to 5 provinces of Thailand. On the Lao side, the province borders Bokeo, Oudomxai, Luang Phabang, and Vientiane. The area is mountainous and Asian elephants are the flagship species and *Nam Phouy* is a national protected area (1,912 km²). The province comprises 10 districts (Xayabouly, Khop, Hongsa, Ngeun, XiengKhone, Phiang, Parklai, Kenethao, Botene, and Thongmyxay) and Xayabouly town is the capital. The northern Lao dialect dominates the province. Residents of Hongsa (population 6,000) are predominantly Tai Lue. Other ethnic communities are the Khmu, Tai Dam, Htin, Phai, Kri, Akha, and Malabri which is the last hunter-gatherer group in Southeast Asia who reside in the forests of western region of the province and who are defined as IPs by the Bank's policy. Xayabouly has limited road access for vehicles except for the north-south road extending from the provincial capital to the Thai border. The province is rich in timber and lignite, and is considered the rice basket of northern Laos. Other important crops include maize, oranges, cotton, peanuts, sesame, sugarcane and vegetables such as cucumbers, cabbage, and beans.
- *Oudomxay (ODX)*: The province (15,370 km²) borders China and five Lao provinces (Phongsaly, Luang Phabang, Xayabouly, Bokeo, and Luang Namtha). The province is mountainous, between 300–1,800 m above mean sea level, and the Upper Lao Mekong Important Bird Area (IBA) (10,980 ha) is an important protected area. The province comprises 07 districts (Muang Xay, Muang La, Namong, Nga, Pak Beng,

Houne, and Beng) and a population of about 265,128 (in 2005). There are about 14 different ethnic communities comprising mainly Khmu (60%), Lao Tai ethno linguistic group (25%), and Hmong (15%). Other ethnic communities include Akha, Phouthai, Phou Noy, Lao Houy, Phouan, Ly, Yang, Ikho and Hor. Apart from the Lao Tai group, these are Bank-defined IPs. Most mountainous area has limited road access and economic development. About 40,000 ha of land are cultivated and rice is the main crop (other crops are corn, soybeans, fruits, vegetables, cassava, sugarcane, tobacco, cotton wool, tea and peanuts). In the province, most people still practices subsistence agriculture using mainly "slash-and-burn" agriculture (often linked with growing mountain rice) while limited cultivable areas in the lowlands are irrigated by natural rainfalls. Corn, onions, watermelons and tobacco are exported. About 40,000 ha of land are aforested or used as meadows for livestock. According to estimations of the IUCN, approximately 12% of Oudomxay forests are primary forests, 48% secondary forests. For the population, the forests are not only source of wood, but also contribute to family incomes providing fruits, herbs and meat. It is also common that Lao cultivable land is rented to Chinese, which then is tilled by Chinese migratory labours.

- *Phongsaly (PSL)*: Phongsaly (16,270 km²) is located in the northern end of Lao PDR. It is a mountainous province (about 700–1,800 m above sea level). The province borders China, Vietnam, and two Lao provinces (Luang Phabang and Oudomxai). About 77% of the land area is covered with forest. Key protected area include Phou Dene Dinand Nam Lan. The province comprises 7 districts (Phongsaly, May, Khoua, Samphanh, Boun Neua, Yot Ou, and Boun Tay) with a total population (in 2014) of about 291,473 with 142,737 women. The northernmost district of the province is Yot Ou (about 25,000 peoples) spread over 98 villages made up of 11 ethnic communities. Near the Lao-Chinese Border (checkpoint at Lan Tui) there are 13 minority ethnic communities with independent language and culture identity (Khmu, Lao Tai group (Tai Dam, Tai Daeng), Yao, Leu, Hor, Hmong, Akha, Yang, Bid, Lolo and others). Each group has its own practices in respect to marriage customs as well as specific handicrafts, silverware and jewelry. Agriculture is the main source of income of the people of the province. Phongsaly is the primary trade gateway between Laos and China, exporting lumber and importing several types of finished goods. There are also several Chinese manufacturing companies in the province, along with other foreign investments including for energy sector (mini hydro-power projects with pico-turbines in 24 villages). In spite of government ban on opium poppy cultivation, Phongsaly has the maximum number of districts below the poverty line, and is one of the major opium producing provinces in the country. There is a program to reduce opium growing. There are important landmarks and tourism spots in the province.

4.2 Lessons Learned from the Original LRSP Implementation

20. *Safeguards assessment and risks.* Under the original LRSP, sufficient attention and effort has been paid to the safeguards screening and requirements, including preparation of the safeguards instruments, training and monitoring. Safeguards screening were carried out and Abbreviated Resettlement Plan was prepared and implemented as required. Overall risk for safeguards is perceived to be low under the LRSP2 because the civil work will follow the same road alignments and design will be tailored to minimize impacts on households located along both sides of the road.

21. *Land acquisition and resettlement.* No major issues related to land acquisition or major adverse social impacts were observed and reported under the original project (LRSP). There were minor cases of temporary loss of access to affected communities, houses, shops, and household rice granaries along both sides of the road during the civil work. The contractors provided temporary crossing facilities to ensure continued accessibility. Some small trees naturally grown and assets were removed or shifted backward with support from the contractor's workers (particularly for relatively large and heavy structures). The PAHs had been well informed through the process of free, prior and informed consultation and prepared to cope with these anticipated short term impacts. No major complaints were received or heard except the lengthy work in some spots and construction debris left, which were addressed under the EMP.

4.3 Risks and Potential Impacts

22. The Project will not involve major physical relocation of permanent structure and/or involve major resettlement of peoples and this has been explicitly included in the list of ineligible activities (see "negative list" in ESMF). The policy is triggered because the Project may involve minor land acquisition for road maintenance in some areas where road safety and/or road stability is necessary especially when improving road resilience is considered. The work will be conducted in existing roads and may involve minor realignments without expansion and affect trees and other roadside private assets, but no major loss of private assets including land would occur. Implementation experience of the on-going LRSP suggested that for road maintenance and emergency works there has not been any need for land acquisition, physical relocation, and/or resettlement of peoples and no complaints have been recorded and/or observed during WB supervision missions. For the upgrading and rehabilitation of the National Road 1B in Phongsaly and National Road 6A in Houaphan, preparation and implementation of RAPs (less than 100 households) were completed satisfactory. Since the Project will finance similar type and scale of road maintenance works, therefore the risk related to involuntary resettlement and land acquisition is considered "low". The key principle and process for compensation and mitigation of project impacts are presented in Section V below.

V. Strategy for Compensation and Mitigation of Project Impacts

23. Although the compensation requirement is expected to be minor and limited to the need for addressing temporary impacts, this section provides general details on RPF objectives and the key principles to be applied to the Project. To ensure that the loss of private assets including, but not limited to, private land will be avoided, minimized or fully mitigated, the RPF describes the objectives and key principles in line with OP/BP 4.12 taken into account the requirements of Decree 192/PM. The RPF describes a process whereby communities are consulted on, and can meaningfully participate in, the planning and decision making activities when land acquisition and/or relocation of assets will be necessary. Issues that are likely to be identified include the loss of land, assets, and/or income due to minor adjustment of road alignments to improve road safety and/or stability. Preparation of RAP or ARAP will be required.

24. The RAP/ARAP ensures that any such potential impacts are minimized, and that any persons affected by such impacts are provided ample opportunity, through provision of compensation or other forms of assistance, to improve or at least restore their incomes and living standards.

5.1 Policy Objectives

25. The main objective of the RPF is to ensure that all persons subjected to adverse impacts (displaced persons or PAPs) are compensated at replacement cost for lost land and other assets and otherwise provided with any rehabilitation measures or other forms of assistance necessary to provide them with sufficient opportunity to improve, or at least restore, their incomes and living standards. Given the nature of the Project activities which will be limited to road maintenance and minor specific areas may need land acquisition and/or compensation to improve climate change resilience, compensation and resettlement policies will be applied to address temporary impacts and RAP or ARAP will be prepared. If there is any inconsistency between the laws and regulations of Lao PDR and this policy framework, the domestic law or regulation shall be waived to the extent necessary to achieve RPF requirements and this will be included in the legal document of the Project.

5.2 Key Principles of RPF

26. *Basic principles:* Both the procedures and principles described in the GoL's Decree 192/PM and its implementing regulations on the Compensation and Resettlement of People Affected by Development Projects (2005) and the WB Operational Policy on Involuntary Resettlement (OP/BP 4.12) will be applied, however with an adoption of the 10% definition of severely affected as discussed above. In this regard the following principles and objectives would be applied:

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

Government Agency, and cash compensation for structures, trees, crops, income loss and rehabilitation assistance will come from the provincial counterpart fund in the Project.

27. *Voluntary Donation:* OP/BP 4.12 does not encourage voluntary donation. However, community members have the right to make a contribution of their land or other assets, without seeking or being given compensation as suggested in the CR Decree 192/PM. This can often be justified because the road maintenance and climate resilient subproject can improve road safety as well as increase the value of the remaining property or provide some other direct benefit to the affected people. Voluntary contribution is an act of informed consent. The Project must assure that voluntary contributions are made with the prior knowledge on the part of the person who would donate assets that other options are available, and are obtained without coercion or duress. Voluntary donation is allowed only if the criteria and procedures provided below are followed.

28. Under this Project, voluntary donation will not be applied except for very minor losses of assets. For small strips of land, the following criteria will be strictly complied with: the PAPs total land area is not less than 300 m²; if the PAPs total land area is more than 300 m², the strip of land that can be donated cannot be more than 5% of the total land area; and there are no houses, structures or fixed assets on the affected portion of land.

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

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

Voluntary Donations (VD) protocol is presented in *Annex 6*.

30. *Compensation and rehabilitation measures under the Project:* Persons affected under the Project are entitled for the following list of compensation or rehabilitation measures:

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

31. *Relocation and Income Restoration Strategy:* Relocation of permanent houses and/or people will be avoided. In an unlikely event that minor physical relocation is unavoidable, affected households that have to relocate will participate in identifying and selecting options to relocate on their existing plots, or to move to plots provided by the district or to receive cash compensation and to make their own arrangements for relocation. In the case that any businesses have to relocate, they will be assisted to find viable new sites. Households who are severely affected through the loss of 10% or more productive assets will be provided with replacement land or assisted to purchase replacement land. PAPs will also be provided with farm inputs to increase productivity on remaining land and/or replacement land. Given the nature of small works, livelihood restoration program is not expected. PAPs will not be displaced until the village allocates land within the same or neighboring village.\

32. *Vulnerability, Gender, and Ethnicity:* The RPF recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels; and therefore, at greater risk of impoverishment when their land and other assets are affected. The Project will identify any specific needs or concerns that need to be considered for the ethnic groups and other vulnerable groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support. Ethnic group specific actions, as needed, in line with the Ethnic Group Engagement Framework (EGEF) will be included in the Resettlement Action Plan (RAP/ARAP). Gender integration will be considered during the planning and implementation of the ESMF, RPF, and EGDF processes.

5.3 Preparation and Approval of RAPs/ARAPs

33. Once it is determined that land acquisition or any associated impacts is essential to complete any subproject activities, and once siting criteria establish the land area to be acquired, resettlement planning should begin. The project owner (DPWT) will carry out, or cause to be carried out, a census survey to identify and enumerate all displaced persons, and a socioeconomic survey to determine the range and scope of adverse impacts in the affected area. The census survey must cover 100% of the persons to be displaced; the socioeconomic survey may be undertaken on a sample basis. The surveys, which may be undertaken separately or simultaneously, determine whether a RAP or ARAP is necessary. If the number of persons affected exceeds 200, then a full RAP will be necessary. Where impacts on all displaced persons are relatively minor, or fewer than 200 people are affected, an ARAP may be prepared and applied. Impacts are considered “minor” if the affected people are not physically displaced and less than 10% of their productive assets are lost.

34. If a RAP is necessary, it will be prepared in accordance with the policy principles and planning and implementation arrangements set forth in this RPF. The RAP is based on accurate baseline census and socioeconomic survey information, and establishes appropriate mitigation measures (e.g., compensation for assets, transitional assistance, and economic rehabilitation assistance) as appropriate for all categories of adverse impacts. Depending on the categories of impacts, the RAP specifically addresses the following:

- description of the activity causing land acquisition;
- range and scope of potential adverse impacts;
- socioeconomic survey and baseline census survey information including livelihood impacts;
- review of relevant laws and regulations relating to land acquisition and resettlement;
- specific compensation rates (or alternative measures) for all categories of affected assets;

- other measures, if any, necessary to provide opportunities for economic rehabilitation of displaced persons;
- eligibility criteria for compensation and all other forms of assistance;
- relocation arrangements, if necessary, including transitional support;
- site selection and site preparation, if necessary;
- restoration or replacement of community infrastructure and services;
- organizational arrangements for implementation;
- consultation and disclosure arrangements;
- resettlement implementation schedule;
- costs and budget;
- monitoring arrangements;
- grievance procedures; and
- summary entitlements matrix.

35. If an abbreviated RAP (ARAP) is to be prepared, it also must be based on principles and planning and implementation arrangements established in this RPF. An abbreviated RAP normally includes the following contents:

- a census survey of displaced persons, valuation of assets, and livelihood impacts;
- description of compensation and other resettlement assistance to be provided;
- eligibility criteria;
- consultation and disclosure arrangements;
- organizational arrangements for implementation
- timetable and budget;
- monitoring arrangements; and
- grievance procedures.

36. Any RAPs or ARAPs prepared in accordance with this RPF must be reviewed and approved by the Bank prior to awarding of contracts for the civil works causing the displacement. The final ARAPs will be submitted to WB for clearance.

5.4 Entitlement Policy

37. All displaced persons are eligible for compensation and/or other forms of assistance, as relevant to the nature of impacts affecting them (see details in [Appendix I](#)). In general, people eligible for compensation would include the following:

- *Land to be permanently acquired for the Project:* This includes (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (b) those who do not have formal legal rights to land at the time the census begins but have a claim to such land or assets--provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and (c) those who have no recognizable legal right or claim to the land they are occupying, including customary rights. Displaced persons in categories a) and b) are entitled to compensation at replacement cost. In lieu of formal compensation, displaced persons in category c) are provided with alternative forms of assistance, in value equivalent to replacement cost, such as the land of the equivalent size and quality with recognizable use rights

- *Loss of houses, other structures and fixed assets, including trees and standing crops:* Owners of houses and other assets (regardless of whether they hold land title or building permits for structures erected prior to the cut-off date).
- *Losses associated with temporary impacts:* This includes temporary loss of land, and transitional costs associated with moving, or disturbance to businesses during construction.

38. Specifically, displaced persons will be entitled to the following types of compensation and rehabilitation measures:

(1) *Displaced persons losing agricultural land:*

- a) The preferred mechanism for compensation of lost agricultural land will be through provision of replacement land of equal productive capacity and satisfactory to the displaced person. If satisfactory replacement land cannot be identified, compensation at replacement cost may be provided.
- b) Displaced persons will be compensated for the loss of standing crops at market price, for economic trees at net present value, and for other fixed assets (ancillary structures, wells, fences, irrigation improvements) at replacement cost.
- c) Compensation will be paid for temporary use of land, at a rate tied to duration of use, and the land or other assets will be restored to prior use conditions at no cost to the owner or user.

(2) *Displaced persons losing residential land and structures*

- a) Loss of residential land and structures will be compensated either in-kind (through replacement of house site and garden area of equivalent size, satisfactory to the displaced person, or in cash compensation at replacement cost.
- b) If after partial land acquisition the remaining residential land is not sufficient to rebuild or restore a house or other structures of equivalent size or value, then at the request of the displaced person the entire residential land and structure will be acquired at replacement cost.
- c) Compensation will be paid at replacement cost for fixed assets.
- d) Tenants, who have leased a house for residential purposes will be provided with a cash grant of three months rental fee at the prevailing market rate in the area and will be assisted in identifying alternative accommodation.

(3) *Displaced persons losing business*

- a) Compensation for loss of business will involve, as relevant: (i) provision of alternative business site of equal size and accessibility to customers, satisfactory to the displaced business operator; (ii) cash compensation for lost business structures; and (iii) transitional support for loss of income (including employee wages) during the transition period.

(4) Infrastructure and access to services

- Infrastructure (such as water sources, roads, sewage systems or electrical supply) and community services (such as schools, clinics or community centers) will be restored or replaced at no cost to the communities affected. If new resettlement sites are established, infrastructure and services consistent with local standards will be provided at no cost to the relocated persons.

5.5. Rehabilitation Measures

39. Compensation may be sufficient to allow displaced persons to restore incomes if paid at replacement cost, assuming that replacement assets are available. Often, however, resettlement may require displaced persons to obtain new skills required for resuming production in a new environment, or to pursue new sources of income. The RAP/ARAP should assess the significance of impacts to be imposed on displaced persons, and provide measures to assist those significantly affected in adapting to new livelihood challenges. Terms for participation in such measures, including training, extension services, or employment, along with responsibility for providing them, should be specified in the RAP/ARAP.

5.6 Consultation and Information Disclosure

40. Once specific civil works subprojects have been identified, PAP will be consulted for the project and encouraged to participate in the consultation meetings, in order to ensure they clearly understand the Project and its compensation policies and thus to minimize the occurrence of grievances. However, during actual work, some problems may occur.

41. To promote active project engagement and adaptation to changed living circumstances, displaced persons should be provided with opportunities to participate in planning and implementation. At minimum, displaced persons should be consulted on preferences and concerns during the resettlement planning process. All displaced persons are to be informed regarding potential impacts and proposed mitigation measures, including compensation rates. Efforts will be made to ensure that all displaced people with vulnerable status, including female heads of household, and disabled people are able to access the information. The RAP/ARAP will be disclosed, in a manner and location accessible to displaced persons, while in draft, and subsequently disclosed again following finalization.

VI Implementation Arrangement

42. The RAP/ARAP reviews organizational arrangements, to ensure that implementation procedures are clear, that responsibility is clearly designated for provision of all forms of assistance, and that adequate coordination among all agencies involved in RAP/ARAP implementation is assured. The RAP/ARAP must include a detailed implementation schedule, linking the project construction timetable to resettlement-related activities. The implementation timetable should establish that compensation (in cash or in kind) should be completed at least one month prior to initiation of civil works, and at least three months before residential structures are demolished. This section present responsible entities, budget, monitoring and evaluation, and grievance redress mechanism (GRM).

6.1 Responsible Agencies

43. The road maintenance and climate resilient subproject to be implemented under Component 1 of the Project will be prepared and implemented by the provincial Department of Public Works and Transport (DPWT) in close consultation with the Department of Road (DoR) and the Environmental and Social Division of the Public Works and Transport Research Institute (ESD/PTRI). The Environment and Social Unit of DPWT (ESU/DPWT) will be responsible for preparation of RAP/ARAP in close consultation with DoR and ESD/PTRI. A Provincial Resettlement Committee (PRC) will be established in the province when the subproject will involve land acquisition and/or compensation. Organization chart for the resettlement and compensation process for road works is provided in Appendix 5.

44. ESD/PTRI and DoR will be responsible for monitoring and reporting of implementation every six months and prepare six month and annual safeguard monitoring reports on RAP/ARAP implementation. ESD/PTRI will provide training to DPWT and the provinces as needed.

45. If a RAP is required, to ensure timely implementation of the RAP, at subproject level, DPWT will establish the Project Resettlement Office (PRO) to be responsible for day-to-day planning and implementation including serve as the secretariat to the provincial PRC to be established in the subproject province. The District Resettlement Committee (DRC) and the Village Resettlement Committees (VRC) will assist the PRC and PRO and the relevant line departments as needed. Key roles of these committees are highlighted below. However, implementation experience suggested that for small RAP or ARAP related departments can work together through the Administrative Office of the province and there is no need to establish PRO, DRC, and VRC.

46. Provincial Resettlement Committee (PRC): To ensure the smooth implementation of resettlement activities, a PRC will be set up headed by the provincial Vice Governor, and composed by the Department of Public Works and Transport (DPWT) as the subproject owner. In addition, the provincial Office of Natural Resources and Environmental (PONRE), the district Office of Natural Resources and Environment (DONRE), and other provincial agencies such as the Lao Women Union (LWU), the Department of Planning and Investment (DPI), Department of Finance, Land Management Office (LMO), the Department of Public Security and other relevant departments will also participate in the PRC. The PRC's main responsibilities are to enhance the leadership with respect to land compensation and/or relocations of the subproject and coordinate outside and internal relationship for the subproject to ensure the project land acquisition compensation and resettlement can go smoothly. The PRCs will undertake critical roles, including:

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

47. *District Resettlement Committee (DRC)*: The Resettlement Committee of relevant districts governments are led by the relevant vice District Governors, and composed of officials from relevant line offices (i.e., OPWT, Financial Office, District Land Management Office,

Natural Resource and Environmental Office). The major responsibilities of the DRC are as follows:

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

48. *Village Resettlement Committees (VRC)*: The resettlement committees of the affected villages are composed of the village chiefs, deputy chiefs, village elders/traditional leaders and PAP representative. Their responsibilities are as follows:

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

49. *Relevant Line Departments*: Under the national regulations, resettlement and land acquisition are the responsibility of project owners (DPWT). As the project owners, they will play a major role in monitoring and coordination, including:

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

6.2 Cost and Budget

50. Each RAP/ARAP will include detailed cost of compensation and other rehabilitation entitlements and relocation of displaced persons, if that be the case, with a breakdown by agricultural land, residential land, business land, houses, businesses and other assets. The cost estimates will make adequate provision for contingencies. The RAP/ARAP will explicitly establish sources for all funds required, and will ensure that fund flow is compatible with the timetable for payment of compensation and provision of all other assistance.

6.3 Monitoring and Evaluation

51. To ensure the smooth implementation of RAP/ARAP and achieve the objective of adequately rehabilitating affected people, the project will carry out resettlement monitoring and evaluation in the whole process of land acquisition, demolition and resettlement. If RAP is required, the monitoring and evaluation consists of two parts: the internal resettlement monitoring and the external resettlement monitoring and evaluation. For ARAP, only internal monitoring will be required.

52. *Internal monitoring:* The purposes of internal monitoring are to ensure the resettlement organizations at various levels can function soundly during the implementation of RAP/ARAP and ensure the legitimate interests of the affected people will not be violated and the engineering work can progress smoothly. The internal monitoring of the project land acquisition, compensation and resettlement work should be organized by the Project Resettlement Office with provision of overall guidance from TD/DoR and/or ESD/PTRI of MPWT for road subprojects. The Project will hire the supervision consultants including an environmental and social specialist who will assist the TD/DoR and/or ESD/PTRI of MPWT and the Project Resettlement Office, on matters related to resettlement and land acquisition. To effectively monitor the work from inside, the personnel responsible for this work in the resettlement organizations will participate in the development and implementation of the RAP/ARAP. They will participate in the internal monitoring during the implementation of the RAP/ARAP. The contents of the internal monitoring include:

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

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

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

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

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

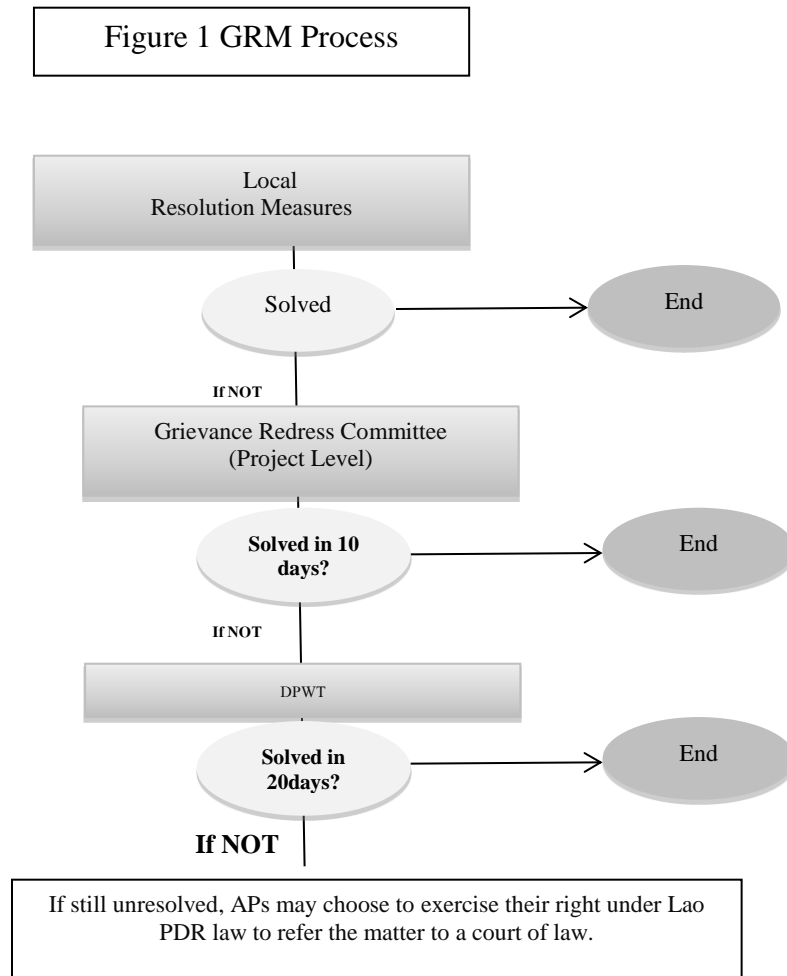
6.4 Grievance Redress Mechanism (GRM)

55. RAPs/ARAP will establish means for displaced persons to bring complaints to the attention of relevant project authorities. Grievance procedures should include reasonable performance standards, e.g., time required to respond to complaints, and should be provided without charge to displaced persons. The RAP/ARAP should also state other avenues available to aggrieved persons if the project-related procedures fail to resolve complaints. Article 13 of Decree 192/PM requires the Project to establish an effective mechanism for grievance resolution. The Decree requires that the subproject proponent (i.e. DWPT) is responsible for setting up GRM and take actions to solve the issues.

56. The ESMF contains the full details on the GRM for the project. Grievances related to environmental and social issues from ethnic groups that result from Project activities will be resolved by the Grievance Redress Committee (GRC) through the Project GRM presented in *Figure 6.1* in general. However, the complainant also retains the right to bypass this procedure and can address a grievance directly to the ESD/PTRI Office or the National Assembly, as provided for by law in Lao PDR. At each level grievance details, discussions, and outcomes will be recorded in a grievance logbook. The status of grievances submitted and grievance redress will be reported to DPWT management through the monthly report. In order to effectively and quickly solve grievances people may have, the following process will be applied:

- *Stage 1:* If an affected person is not satisfied with the resettlement plan or its implementation, the person can issue oral or written complaint to the village committee or the District Resettlement Office (DRO). If it is oral complaint, the village should deal with this complaint and make written records. Village committee or DRO should solve the complaint within two weeks.
- *Stage 2:* If the affected person is not satisfied with the result of step 1, he/she can file appeal with the Project Resettlement Office (PRO) after he receives the decision made in step 1. The PRO should make a decision within two weeks.
- *Stage 3:* If the affected person is not satisfied with the result of step 2, he/she can file appeal with provincial Resettlement Committee for administrative arbitration after receiving the decision made by the PRO. The administrative arbitration organization should make the arbitrated decision within 10 days.

- *Stage 4:* If the affected person is still unsatisfied with the arbitrated decision made by the administrative arbitration organization, after receiving the arbitrated decision, he/she can file a lawsuit in a civil court according to relevant laws and regulations in Lao PDR.



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

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

59. The communities and individuals who believe that they are adversely affected by a WB supported project may submit complaints to existing project-level grievance redress mechanism or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaints to the WB's independent Inspection Panel which determines whether harms occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at anytime after concerns have been brought directly to the WB's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit www.worldbank.org/grs. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

6.5 RPF Consultation and Information Disclosure

60. The RPF was originally developed as an annex to the ESMF. To allow for its use by other donors, it is now a separate document. The ESD/PTRI and DoR in cooperation with DPWTs of the Project provinces conducted public consultations two times with key stakeholders including relevant government agencies, local NGOs in Vientiane Capital as well as local authorities and communities in some of pilot provinces (Bolikhamxay and Xayabouly) in a free, prior and informed consent manner to seek their views and establish their broad support for the project implementation. The first consultations were made in Vientiane capital and Bolikhamxay and Xayabouly on February 25, 2016 and during March 6-11, 2016, respectively, focusing on the project scope and draft TORs for the ESMF, EGPF, and RPF. The results were taken into consideration during the drafting of the ESMF, EGPF and RPF. A summary of the consultation minutes is on file. The Draft ESMF including RPF and EGPF were disclosed on the MPWT website and the World Bank Website on April 11, 2016. The second set of consultations was conducted on the drafts (English and Lao) in Bolikhamxay and Xayabouly and in Vientiane in late April 2016. Additional consultations on the draft ESMF, RPF, and EGPF will be conducted in 2 more provinces in the north (Houaphan and Oudomxay) that are home to multiethnic groups. The final ESMF, EGPF and RPF will be re-disclosed in the MPWT website and in the six pilot project provinces as well as on the World Bank website before appraisal.

Appendix 1: The Entitlement Matrix

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
Productive Land (paddy, garden, and Teak Plantation)	Legal owner or occupant identified during census and tagging	<ul style="list-style-type: none"> • For marginal loss of 10% of land, cash compensation at replacement cost which is equivalent to the current market value of land within the village, of similar type, category and productive capacity, free from transaction costs (taxes, administration fees), or • Replacement land of similar type, category and productive capacity of land within or nearby the village, with land title. • If the impacts on the total productive land is 10 % or more, as a priority, replacement land of similar type, category and productive capacity of land within or nearby the village, with land title, if Land Titling Project is ongoing in the area. If not, land use certificate to be issued. OR at the request of PAP, cash compensation at replacement cost plus assistance to purchase and register land 	<ul style="list-style-type: none"> • Legal owners are those who received land use certificates or land titles from the Land Titling Project. • Voluntary donation will not be applied for any assets except for very minor losses of land holding as defined under this RPF
Residential Land	Legal owner or occupant identified during census and tagging	<ul style="list-style-type: none"> • <u>With</u> remaining land sufficient to rebuild houses/structures: (i) Cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, and free from transaction costs (taxes, administration fees) and (ii) District government to improve remaining residential land at no cost to PAPs (e.g. filling and leveling) so PAPs can move back on remaining plot. • <u>Without</u> remaining land sufficient to rebuild houses/structures: (i) Replacement land equal in area, same type and category, without charge for taxes, registration and land transfer, with land title if Land Titling Project is ongoing in the area; if not, land survey certificate, OR (ii) cash compensation at replacement cost which is equivalent to the current market value of land of 	<ul style="list-style-type: none"> • Legal owners are those who have land use certificates or land titles from the Land Titling Project. • Voluntary donation of minor strips of residential land will only be allowed by the Project provided that the following criteria are strictly complied with: (i) the PAP's total residential land area is not less than 300 m²; (ii) if the PAP's total residential land area is more than 300 m², the strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no houses, structures or fixed assets on the affected portion of land. • Voluntary donation according to these criteria will follow the process in accordance with World Bank's Operational Policy, which is the same as the Government's Decree 192/PM/2005.

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
		similar type and category, free from transaction costs (taxes, administration fees) plus assistance to purchase and register land.	
Fishpond (Remaining area is still viable or can still meet expected personal or commercial yield)	Owner of affected fishpond	<ul style="list-style-type: none"> • Cash compensation of affected portion at replacement cost which is equivalent to the current market value of fishpond, labor and rent of equipment to excavate fishpond, free from transaction costs (taxes, administration fees) • If the currently held fish stocks will not be harvested before the project takes possession of the fishpond, then cash compensation for the projected mature value of fish stock held at the time of compensation. • District government to restore/repair remaining fishpond. If support cannot be provided by the contractor, the PAP will be entitled to cash assistance to cover for payment of labor and rent of equipment to restore/repair fishpond. 	<ul style="list-style-type: none"> • Adequate time provided for PAPs to harvest fish stocks • Voluntary donation of fishpond land will not be allowed by the Project.
Totally Affected Houses/Shops, and Secondary Structures (kitchen, rice bins) Partially Affected Houses/Shops but no longer viable (Will require relocation)	Owners of affected houses whether or not land is owned	<ul style="list-style-type: none"> • Cash compensation at replacement cost for the entire structure equivalent to current market prices of (i) materials, with no deduction for depreciation of the structure or salvageable materials; (ii) materials transport; and (iii) labor cost to cover cost for dismantling, transfer and rebuild; and • Timely provision of dump trucks for hauling personal belongings at no cost to the PAPs. 	<ul style="list-style-type: none"> • Adequate time provided for PAPs to rebuild/repair their structures • Affected houses and shops that are no longer viable are those whose remaining affected portion are no longer usable/habitable.
Temporary Use of Land	Legal owner or occupant	<ul style="list-style-type: none"> • For agricultural and residential land to be used by the civil works contractor as by-pass routes or for contractor's working space, (i) rent to be agreed between the landowner and the civil works contractor but should not be less than the unrealized income and revenue that could be generated by the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g., structures, trees, crops); and (iii) restoration of the temporarily used land 	<ul style="list-style-type: none"> • The construction supervision consultant will ensure that the (i) location and alignment of the by-pass route to be proposed by the civil works will have the least adverse social impacts; (ii) that the landowner is adequately informed of his/her rights and entitlements as per the Project resettlement policy; and (iii) agreement reached between the landowner and the civil works contractor are carried out.

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
		within 1 month after closure of the by-pass route or removal of equipment and materials from contractor's working space subject to the conditions agreed between the landowner and the civil works contractor.	
Partially Affected Houses and Shops and secondary structures (Will not require relocation)	Owners of affected houses whether or not land is owned	<ul style="list-style-type: none"> Cash compensation at replacement cost for the affected portion of structure equivalent to current market prices of (i) materials and labor, with no deduction for depreciation of the structure or for salvageable materials (ii) materials transport, and (iii) cost of repair of the unaffected portion; 	
Loss of business income during relocation or during dismantling/repair of affected portion (without relocation)	Owners of shops	<ul style="list-style-type: none"> For businesses (shops) cash compensation equivalent to the daily wage rate (i.e., 10,000 kip /day) multiplied by the number of days of business disruption. 	It will take one day to move the shops if made of traditional materials (bamboo)/movable (can be carried without totally dismantling the structure). It will take about two days to remove and repair affected portion of shop made of permanent materials (such as good wood and concrete). The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.
Crops and Trees	Owner of crops and trees whether or not land is owned	<ul style="list-style-type: none"> If standing annual crops are ripening and cannot be harvested, cash compensation at replacement cost equivalent to the highest production of crop over the last three years multiplied by the current market value of crops For perennial crops and trees, cash compensation at replacement cost equivalent to current market value based on type, age, and productive capacity. For timber trees, cash compensation at replacement cost equivalent to current market value based on type, age and diameter at breast height (DBH) of trees 	
Permanent loss of physical cultural resources/public structures/village or collective ownerships	Villagers or village households	<ul style="list-style-type: none"> Compensation at replacement cost for present/existing structures based on its present value. 	
Graves located in the affected areas	Owners of graves	<ul style="list-style-type: none"> Compensation for the removal, excavation, relocation, reburial 	

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
		and other related costs will be paid in cash to each affected family.	
Electricity Poles	Electricity Companies	<ul style="list-style-type: none"> • Cash compensation for cost to dismantle, transfer and rebuild 	
Transition subsistence allowance	Relocating households – relocating on residual land or to other sites Severely affected PAPs losing 10% or more of their productive land	<ul style="list-style-type: none"> • Relocating PAPs without any impact on business or source of incomes will be provided with cash or in-kind assistance equivalent to 16 kg of rice at current market value for 3 months per household member • Relocating PAPs with main source of income affected (i.e., from businesses) or PAPs losing more than 10% of their productive land will be provided with cash or in-kind assistance equivalent to 16 kg of rice at current market value for 6 months per household member 	
Transportation allowance	Relocating households – to other sites	Provision of dump trucks to haul all old and new building materials and personal possessions	PAPs may also opt for cash assistance. The amount (cost of labor and distance from relocation site) to be determined during implementation
Severe impacts on vulnerable PAPs (Relocating PAPs and those losing 10% or more of their productive assets)	Vulnerable PAPs such as the poorest, or households headed by women, the elderly, or disabled, and ethnic group	<ul style="list-style-type: none"> • An additional allowance of 1 month supply of rice per person in the household. • Eligible to participate in income restoration program • The contractors will make all reasonable efforts to recruit severely affected and vulnerable PAPs as laborers for road construction and road maintenance works 	The poorest will be those below the national poverty line as defined in the poverty partnership agreement with World Bank

Appendix 2: Sample Feedback Form and Agreement Form

SAMPLE FEEDBACK FORM

Date: _____

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

___ Provincial Level ___ District Level ___Kumban level ___ Village level

District: _____ Kumban: _____ Village: _____

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

Date of the event you would like to feedback: _____

Location: _____

Person Involved: _____

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

What is your request: _____

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

SAMPLE AGREEMENT FORM

Date: _____

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

___ Provincial Level ___ District Level ___Kumban level ___ Village level

FMC Organized Investigation of Feedback Register No. _____ at:

___ Provincial Level ___ District Level ___Kumban level ___ Village level

In the meeting, it was agreed and resolved that: _____

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

Participant and Witnesses

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

Name	Position	Signature
1.		
2.		
3.		
4.		

Feedback and Mediation Committee:

Name	Position	Signature
1.		
2.		
3.		
4.		

At: _____ Date: _____

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

Report from Feedback and Mediation Committee at:

Village	
Kumban	
District	
Province	

2/ Reporting period

From / / to / /

3/ Summary

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

4/ Details of the feedback received

Refer to table below

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

Signature and stamp from FMC

Appendix 4: Contents of Land Acquisition and Compensation Report and Resettlement Action Plan

A4.1 Content of Land Acquisition and Compensation Report (Abbreviated RAP)

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

A4.2 Outline for a Resettlement Action Plan (RAP)⁶

I. Introduction

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

II. Census and Socioeconomic Survey Results

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

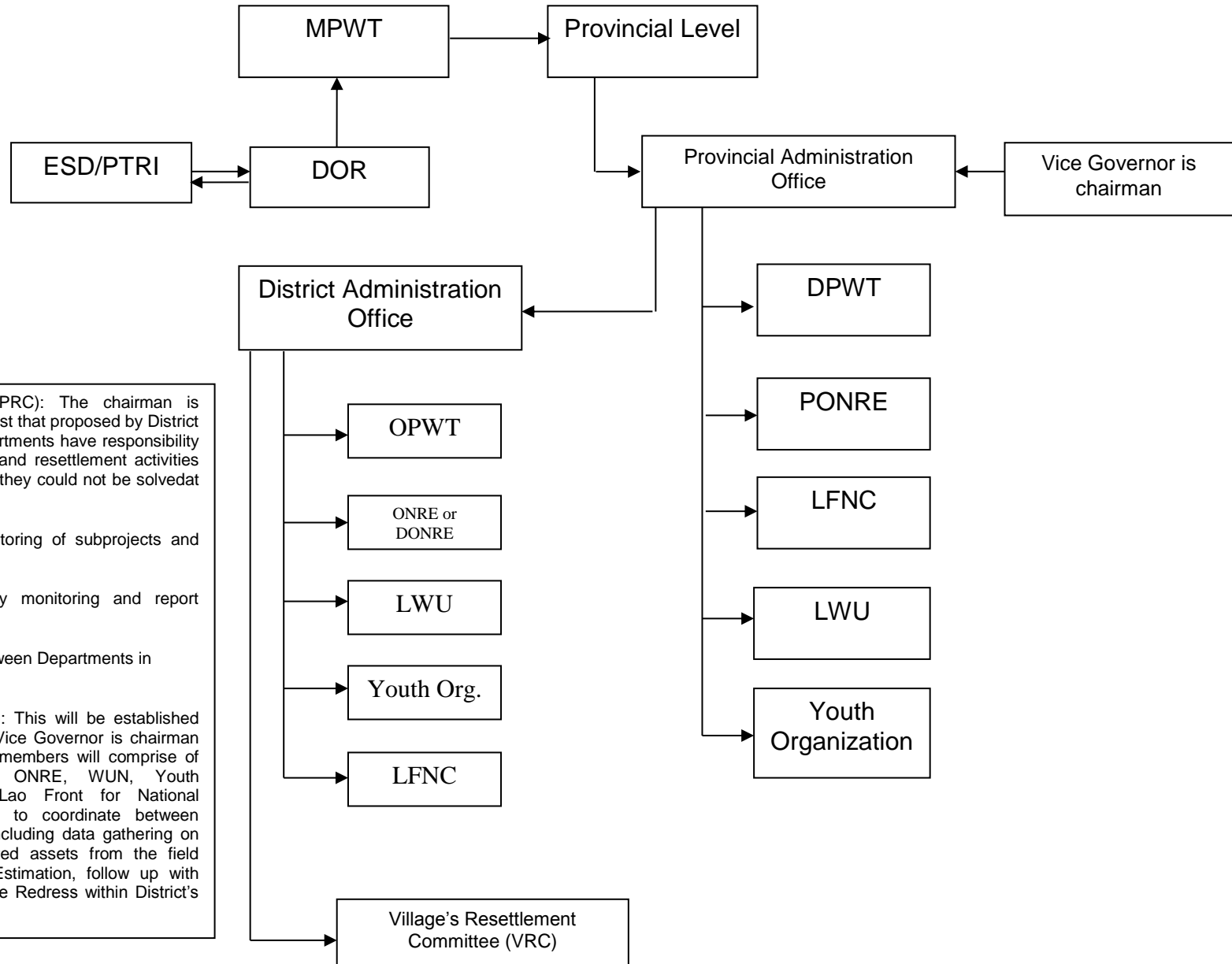
III. Compensation Entitlement Criteria

- Description of objectives of compensation policy.
- Eligibility criteria for PAPs, including “cut-off date”, if necessary.
- Description of compensation entitlements and other forms of assistance for each category of PAPs.

⁶Annex 3 of the Technical Guidelines on Compensation and Resettlement. These Resettlement Technical Guidelines, Nov. 2005. These Guidelines were prepared in accordance with the provisions of the Prime Minister’s Decree No 192/PM on Compensation and Resettlement, issued on 7 July 2005, and the Implementing Regulations on Compensation and Resettlement issued by the STEA.

- Description of specific measures to mitigate adverse impacts on vulnerable groups (if relevant).
 - Entitlement Matrix.
- IV. Relocation Plan (if necessary)
- Review of suitability of alternative relocation sites
 - Site selection criteria
 - Review of environmental protection and management at resettlement sites
 - Preliminary relocation options of PAPs
 - Review of options for provision of shelter, infrastructure and social services
 - Review of consultation procedures with PAPs in selection of resettlement alternatives during implementation
 - Socioeconomic data gathering host population, if applicable
- V. Income Restoration Measures (as necessary)
- Description of eligibility criteria for income restoration measures
 - Feasibility analysis of any alternative income restoration programs including use of collective land compensation, training needs of PAPs in the context of employment opportunities and market demand, access to credit and micro-enterprise support for PAPs interested in small business development
 - Institutional arrangements to finance and manage income restoration programs
- VI. Public Participation, Consultation, Disclosure and Grievance Redress Mechanism
- Public Consultation exercises conducted during the RP preparation (provide details), including gender-specific consultation and information disclosure. This would include special attention to guarantee women's assets, property, and land use rights and to ensure the restoration of their income and living standards
 - Description of opportunities for PAPs to participate in resettlement planning and implementation
 - Procedures adopted for filing complaints, review and decision-making
 - Procedures for disclosing RAP and resettlement information on compensation and resettlement options to PAPs in a form and language that they can understand
- VII. Organizational set-up
- Administrative set-up and plans for training and capacity building as needed
- VIII. Monitoring and Supervision
- Listing of performance monitoring indicators
 - Institutional responsibilities and procedures for internal project monitoring
 - Discussion of role, if any, of Community based organization and non-benefit organizations
 - Content and frequency of monitoring reports
- IX. Cost Estimates and Budget
- Estimate of aggregate costs for each type of asset loss
 - Estimated costs for income restoration programs, administration, supervision and monitoring
 - Statement of financial responsibility for all resettlement-related costs
 - Physical and Price Contingencies
- X. Implementation Arrangement
- Timetable for implementation of all resettlement activities, tied to overall subproject timetable
 - Procedures for implementation or delivery of key elements, as relevant:
 - Review of land-for-land arrangements, including timetable and funding for development of relocation sites and necessary services or other inputs
 - Review of procedures for payment of compensation
 - Procedures for assessing adequacy of compensation.
 - Operational procedures for job placement, or other income restoration programs

Appendix 5 Organization for Resettlement and Compensation Committee for Road Works



Provincial Resettlement Committee (PRC): The chairman is responsible for approval of Unit Cost that proposed by District Resettlement Committee. All departments have responsibility to involve in the project process and resettlement activities including grievance redress when they could not be solved at District level.

DOR: Responsibility for regularly monitoring of subprojects and report.

ESD/PTRI: Field quarterly and yearly monitoring and report preparation.

DPWT: Responsibility for coordination between Departments in Province and subprojects

District Resettlement Committee (DRC): This will be established under the Administration Office. Vice Governor is chairman of Resettlement Committee and members will comprise of key district offices (OPWT, ONRE, WUN, Youth Organization, and Office of Lao Front for National Construction). It is responsible to coordinate between affected village and subproject including data gathering on affected people, accepted affected assets from the field survey, approval of Unit Cost Estimation, follow up with compensation payment, Grievance Redress within District's level).

Appendix 6: Protocols and Procedures of Voluntary Donations (VD)

During project implementation, District Department of Public Works and Transport (DPWT) will apply the following protocols:

1. ***Initial assessment. Determining the appropriateness of VD in the circumstances of the project.*** Should DPWT considers using VD as a means to to address a permanent acquisition of private land or a loss of private assets, DPWT will take into consideration the following and document them:
 - What the land will be used for;
 - How much land the project will require on both a permanent and temporary basis;
 - How much of the land will be donated;
 - What alternatives to donation exist (e.g., right of use, right of way);
 - The terms of the donation;
 - The identities of the parties who intend to donate;
 - The beneficiary of the donation; and
 - Any details that are relevant to why donation may be appropriate.

2. ***Verification process (surveys) to identify land ownership and use.*** DPWT will carefully carry out surveys to understand the type of land rights that exist in the project area, and identify any particular issues relating to land ownership and use. In particular, the following will be verified:
 - The owner or owners of the land;
 - The users of the land, or any parties that occupy the land (either physically or through ownership of an asset or conduct of livelihood or business activities on the land);
 - Any competing claims of ownership or use;
 - Structures and assets on the land;
 - Any encumbrances on the land.

It is important to: (a) identify the right that is being transferred (an ownership right, a use right, a right of way, etc.); and (ii) check whether the transferee actually has the right s/he claims to have. In many circumstances where careful due diligence has not been carried out, significant conflict has arisen at a later stage when another party claims that they have the same or a competing right. In some circumstances – but not all – the transferee will have documentary evidence of such right. Where no such evidence exists, the due diligence can establish rights by speaking with local community officials and neighbours.

3. ***Public Consultation and Disclosure.*** The decision to donate must be taken on the basis of a full understanding of the project and the consequences of agreeing to donate the land. Accordingly, the parties that will be affected by the donation (the owners and users of the land) must be provided with accurate and accessible information regarding what the land will be used for, for how long, and the impact the donation will have on them and their families. It is important that prior written notification indicating the location and amount of land that is sought be provided and that its intended use for the project is disclosed.

Where the intention is to deprive the parties affected by the donation of the land permanently, or for a significant length of time, this must be made clear. It should be noted that in many communities the concept of alienation of land is uncommon and difficult to understand, and care needs to be taken to ensure that the implications of this are fully understood. It is also important to decide who else should be consulted about the proposed donation; for example, spouses and older children.

There should be a clear agreement as to which party will pay the costs associated with the donated land. This could include measurement costs, documentation and notarial fees, transfer taxes, registration fees. It should also include the costs of re-measuring/re-titling the transferee's remaining land and any new documentation relating to it.

4. ***Establishing Informed Consent***

It is crucial that the project team is confident that the decision to donate was taken in circumstances of *informed consent or power of choice*. As discussed earlier, this means being confident that the owner(s) or user(s) of the land understand:

- What the land is going to be used for, by whom and for how long;
- That they will be deprived of the ownership or right to use the land, and what this really means;
- That they have a right to refuse to donate the land;
- Whether there are alternatives to using this land;
- What they will need to do to donate the land (e.g., execute documents, get spousal consents, pay taxes);
- The effect of the donation on their family, and what they can do if they (or their family or heirs) want the land back.

The right to refuse must be a legitimate right, unconditional, and the potential transferee must be capable of exercising it in the local community and political context. For this reason, it is important to be sure that the decision to donate is undertaken without coercion, manipulation, or any form of pressure on the part of public or traditional authorities. For collective or communal land, donation must be based upon the informed consent of all individuals using or occupying the land.

5. ***Proper Documentation.*** During the VLD process, it is important to distinguish between: (a) the agreement to donate the land; and (b) the document that carries out and evidences the legal transfer of the land. While it is important to have evidence of an intention and agreement to donate the land, it is equally important to ensure, where required and appropriate, that the land is legally transferred. While the process relating to the legal transfer of the land is frequently complicated and time consuming, it must be addressed.

The project team should:

- Identify the appropriate documentation, including the agreement to make the transfer and any legal documentation that may be required;
- Ensure that the agreement:
 - Refers to the consultation has taken place;
 - Sets out the terms of the transfer;
 - Confirms that the decision to transfer was freely made, and was not subject to coercion, manipulation, or any form of pressure;
 - Attaches an accurate map of the land being transferred (boundaries, coordinates);

- Sets out who will bear the costs of the transfer (e.g., notarial fees, taxes, title issues) and documenting the residual land rights;
- Ensure that all necessary parties sign the documents, including obtaining consent from spouses and children over a certain age;
- Ensure that the transfer and title is registered or recorded; and
- Ensure that the land remaining after the donated land is excised is properly titled, registered or recorded.

It is also important to maintain a record of the process that has been followed. Such documents could include the following:

- The notification indicating the location and amount of land that is sought and its intended use for the project, with a record of when and where this was made public;
- Records of the consultations that were held and what was discussed;
- A copy of the due diligence that was conducted;
- Copies of each of the formal statements of donation, establishing informed consent as described above, and signed by each owner or user involved;
- Copies of all documents, registrations or records evidencing the legal transfer of the land;
- A map, showing each parcel of land.

The project implementing agency should maintain a record with documentation for each parcel of land donated. Such documentation must be available for World Bank review, and for review in relation to any grievances that may arise.