LAO PEOPLE’S DEMOCRATIC REPUBLIC:
SUSTAINABLE FORESTRY FOR RURAL DEVELOPMENT PROJECT
(SUFORD AF)

Resettlement Policy Framework

Introduction

The Project

1. This Resettlement Policy Framework lays out the policy and process for providing social safeguards for villagers in the Sustainable Forestry for Rural Development Project (SUFORD, or the Project) that may be affected by the project in terms of loss of access to land, other assets, natural resources, and/or potentially adverse livelihood impacts from restrictions to access to resources. It furthermore aims to ensure compliance with policies of the Lao People’s Democratic Republic, as well as the World Bank’s Resettlement Policy (World Bank Operational Policy 4.12).

2. The Lao People’s Democratic Republic (Lao PDR) is one of the poorest and least developed countries in East Asia. Rural poverty, found primarily among households who live at the subsistence level is a major concern. Forestry constitutes a key sector of the economy. The proposed Project has been designed as a program of investments and institutional capacity building needed to support sustainable management of natural production forests, and to contribute towards reduction of rural poverty. A strong emphasis on the involvement and participation of villagers living in and adjacent to these natural production forests is an integral feature of the proposed project.

3. The SUFORD field activities will primarily be focused on sustainable forest management and village development in 16 production forests and approximately 730 villages located in 16 districts in Attapue, Bolikhamsay, Vientiane, Xayabouli and Xekong provinces, and 18 districts in Khammaoune, Savannakhet, Saravane, and Champassack.

4. The magnitude of adverse impacts from SUFORD is anticipated to be very marginal. Based on available information, no land acquisition and involuntary resettlement is expected. However, the Project will be supporting upgrading of some existing roads and other infrastructure. Further, in the Village Development activities, some villages may choose to spend village development funds on construction of village infrastructure. Thus, it is possible that during the course of implementation some land and/or assets may need to be acquired. If people do lose access to land or other assets, some compensation may need to be paid to displaced persons.

5. It is furthermore possible that the Project may impact upon villagers’ access to natural resources, which may have some negative impacts on their livelihoods. The Project will be supporting participatory sustainable management of natural production forests, based on customary rights. However, in preparing the management plans for these forests, it is possible that some involuntary restriction of natural resource access may result, which could impact upon peoples’ livelihoods. These impacts would have to be mitigated.
6. To adequately address the rehabilitation and compensation of the people who could possibly be affected by the acquisition of land, loss of assets or natural resources, or impacts upon their livelihoods under the Project, the Government of the Lao PDR and SUFORD have adopted this Resettlement Policy Framework for mitigating loss of assets, resources, and potentially adverse livelihood impacts. It will be implemented by the respective unit (e.g., District SUFORD, DAFO) together with the Provincial Coordination Unit (PCU) under the coordination of the National Project Management Office.

**Policy Framework**

7. The Policy Framework will adopt the principles of previous resettlement policies prepared for Bank-assisted projects in the country. The principle objective of the Policy is to ensure that all displaced persons will be compensated for their losses at replacement cost and provided with rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards and income-earning capacity.

8. The Policy Framework lays down the principles and objectives, eligibility criteria of displaced persons, entitlements/compensation, legal and institutional framework, modes of compensation and rehabilitation, people’s participation features and grievances procedures that will guide the compensation, resettlement and rehabilitation of the displaced persons.

**General Strategy**

9. This Policy Framework lays out the following general strategy for mitigating potential losses and adverse impacts. The participatory process for project preparation, implementation, and monitoring are designed to minimize potential losses and adverse impacts.

10. First, SUFORD has been designed as a participatory approach to sustainable forest management and related village development activities. Therefore, the project has been designed to minimize loss of access to natural resources and adverse impacts upon livelihoods. The project preparation has involved extensive consultation with a wide range of stakeholder and beneficiary representatives, including a broad participation of villagers.

11. The preparation or revision of management plans for the natural forests will follow a participatory approach, in which the roles of the local villages in the management of the forests will be strengthened, and appropriate measures identified with the villagers to enhance the sustainability of natural resource-based livelihood activities and to manage pressures on the natural resources. Alternative income-generating and food security activities will be implemented. These measures will be supported through the participatory land use planning, forest management, and village development planning and implementation processes. All project villages, and all households within those villages, will be eligible for participation.

12. In general, the Government of Lao PDR manages all land on behalf of the national community. Villagers are permitted to harvest forest resources for customary and subsistence use, but any harvesting of forest resources, such as timber and non-timber forest products, for commercial sale requires permission and payment of royalties to the Government. Certain activities that may have once been customary
have been limited, such as hunting of endangered wildlife species. Thus, some traditional sources of villagers’ livelihoods have already been restricted by the Government and/or by the growing scarcity of such resources due to over-exploitation. To the extent possible, the forest management plans would avoid inclusion of any new restrictions on the customary use of natural resources by local communities that might adversely affect their livelihoods, beyond those needed to ensure the sustainability of the natural resources.

13. Villagers will be involved in preparation, implementation, and monitoring of sustainable forest management plans, which will include provisions for sustainable management of wildlife and other non-timber forest products. The Village Development efforts of the Project are designed to ensure that villagers are supported to improve food security and develop alternative income-generating activities, including those based upon sustainable use of natural resources, such as non-timber forest products.

14. The Village Development activities will include Village Development Projects, to be funded initially by SUFORD, and later by the villagers’ share of the forest revenues from their participation in sustainable management. As the aim of the village development effort is to make meaningful contributions to poverty reduction, the top priorities for VD Projects will be to support activities related to food-security and income-generation. Proposals for VD Projects related to construction of village infrastructure, such as schools, will be given lower priority.

15. It is only the latter types of VD projects – or in other project investments in infrastructure - where acquisition of land or assets may become an issue. It is expected that such cases will be relatively rare, but should they arise, this policy is to be followed with respect to identification of displaced persons and measures taken to provide them assistance or compensation.

Legal Framework

16. The legal context in Lao PDR has been changing rapidly over the last few years. The Constitution was introduced in 1991, the most recent forestry law was ratified in 2007, and the land law in 2003. In the year 2005 the Resettlement Decree was signed by the Prime Minister. While they are subject to interpretation, the various legislative initiatives provide a firm legal foundation for the consideration of resettlement and compensation.

Forestry Law, No.6/NA, 24 Dec 2007

Article 70. Conversion of forestland
In case that the State needs to convert forestland, which is allocated to an individual or organization to use for determined purpose, for other purposes with maximum national benefits, the State shall compensate according to laws and regulations.

Article 99. Termination of use right to forest plantation and forestland
Use right to forest plantation and forestland of individuals, households or organizations shall be terminated in any of the following cases:

1. Voluntary renunciation of use right;
2. Transfer of use right to another person;
3. Death of person or abolishment of organization without any inheritors.
4. Expropriation of use right by the State for public benefit use, but the State shall compensate the loss in accordance with laws and regulations;

Land Law, No. 04 / National Assembly, 21 October 2003

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

Article 18: The district… may grant to use agricultural land within its administration…

Article 21: The state authorizes individuals to use forest lands (defoliated or degraded) not to exceed three hectares per each laborer in the family.

Article 22: The district… may grant the right to use forest land within its administration…

Article 63: The right of an individual or administrative agency to use land shall terminate if any of the following obtain:

1. The right is handed back to the State voluntarily;
2. The right is revoked if the land is taken back by the State in the public interest;
3. The right is transferred to another individual;
4. The individual dies leaving no heirs.

Article 71: When it is necessary to use an individual’s land in the public interest the State must make appropriate compensation for damages.

Article 72: In determining damages, there must be a committee comprised of representatives of interested parties to determine the value of the damages.

Prime Ministerial Decree on the Compensation and Resettlement of the Development Project, No. 192/PM, 7 July 2005

Article 4 Obligations of Project Owners to Address Adverse Social Impacts

When development projects have potential to cause adverse socio-economic impacts, project owners have the responsibility as follows:

(a) In collaboration with the concerned local governmental authorities and concerned organizations, carry out necessary surveys and field investigations, identify affected communities, prepare inventory of impacts by types and degree, determine entitlement to mitigation measures including compensation for affected assets. Project owners must provide appropriate funding to assist, support, relocate APs and to implement income rehabilitation measures and to prepare necessary plans in an efficient and timely manner and approved by the concerned agencies to ensure the improvement of their socio-economic situation;
(b) Make every attempt so that displacement and other direct adverse impacts on peoples’ assets and income are avoided or, if unavoidable, minimized by examining all design
(c) Be responsible for the timely provision of adequate budget for all aspects of planning, implementing, monitoring and evaluating all resettlement and compensation activities;
(c) Pay particular attention to the needs of the poorest affected people, and vulnerable groups that may be at high risk of impoverishment. Appropriate assistance must be provided to help them improve their socio-economic status; and
(e) Ensure that the resettlement process is carried out through a meaningful involvement of project-affected communities, and their existing social and cultural institutions are supported to the greatest extent feasible.

Article 6 Compensation Principles

1. Project owners shall compensate project affected people for their lost rights to use land and for their lost assets (structures, crops, trees and other fixed assets) affected in full or in part, at replacement cost.
2. Where significantly large or entire land holding is affected by a project namely agriculture, residential or commercial land, the compensation shall be through provision of "land for land" arrangements of equivalent size and productivity and be acceptable to APs and project owners.
3. If the house or structure is only partially affected by the Project and the remaining structure is unviable for continued use or the remaining area is less than the minimum house size, the AP shall be entitled to be compensated for the entire structure at replacement cost without depreciation or deduction for salvaged materials. In case the remaining structure is viable for continued use, project owners shall provide compensation for the lost portion and assistance in cash or material for restoration of the remaining structure.
4. APs whose land or assets are temporarily taken by the works under the project shall be fully compensated for their net loss of income, damaged assets, crops and trees, as the case may be. The project owners shall also ensure that the land or assets are returned in its pre-project state.
5. Tenants, who have leased a house / structures for any purpose and are affected by the project, shall be compensated for their lost assets in the amount equivalent to three months rental allowance, and shall be assisted in finding alternative rental accommodation.
6. APs 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. APs 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
right 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.
7. All APs, regardless of land use right, will be entitled to compensation for lost assets (structures, crops, trees) at replacement cost, and provided with other assistance during the transition period, and economic rehabilitation assistance to ensure that they are not worse off due to the project.
8. All previous claims and unresolved issues related to tenure status and ownership of land and other assets affected by the sub-project or components shall be resolved prior to initiating any new land acquisition measures on the respective sub-project or component.
9. Before provision of compensation, project owners shall establish a joint committee, with representatives from all stakeholders, to assess the loss to APs.
10. Prior to the commencement of project construction, APs shall be fully compensated and resettled and rehabilitation measures shall be in place, although not necessarily completed yet.

**Displaced persons**
17. The displaced persons include the following persons to be identified by the baseline information collected for each of the Project’s infrastructure investments, Forest Management Agreements, and the Project Village Development grants to support village development projects where there is land, property or asset acquisition:
   (a) persons whose houses and other structures are in part or in total affected (temporarily or permanently) by the project;
   (b) persons whose agricultural/residential and commercial land is in part or in total affected (permanently or temporarily) by the project;
   (c) persons whose businesses are affected in part or in total (temporarily or permanently) by the project;
   (d) persons whose crops (annual and perennial) and planted trees are affected by the Project;
   (e) persons whose other assets are affected by the project; and
   (f) persons whose current livelihood situation is affected from restrictions to access to resources.

**Principles and Objectives**
18. The principles outlined in the Lao legislation and the World Bank's Operational Policy 4.12 on Involuntary Resettlement have been adopted in preparing this Policy framework. In this regard the following principles and objectives would be applied:
   (a) Acquisition of land and other assets, and resettlement of people will be minimized as much as possible.
   (b) All displaced persons are identified in the project impacted areas as of the date of the baseline surveys. They are entitled to be provided with rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels. Lack of legal rights to the assets lost will not bar the displaced person from entitlement/compensation to such rehabilitation measures.
   (c) The rehabilitation measures to be provided are:
(i) cash compensation at replacement cost without deduction for depreciation or salvage materials for houses and other structures;
(ii) agricultural land for land of equal productive capacity acceptable to the displaced person;
(iii) replacement of residential and commercial land of equal size acceptable to the displaced person; and
(iv) transfer and subsistence allowances.

(d) Replacement residential and agricultural land will be as nearby as possible to the land that was lost, and acceptable to the displaced person. "Agricultural land for land of equal productive capacity" means that the land provided as compensation should be able to produce the same or better yield the displaced person was producing on his/her previous land. The production should be in the planting season immediately following the land acquisition. It can be for a future period if transitional allowance equal to the household's previous yield is provided to the displaced person household while waiting for the land to get back to the same productivity as the previous land.

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

(f) The compensation, resettlement and rehabilitation activities will be satisfactorily completed before a no objection from the World Bank will be provided for award of contract of civil works for activities requiring a full Resettlement Plan or a partial Resettlement Plan.

Partial Resettlement Plan
19. In case where the impact of land and property acquisition by a given project activity under Component 1 is minor\(^1\), a partial Resettlement Plan for each such project activity will be prepared by the respective Provincial Project Coordination Unit (PCU) and submitted to the World Bank for its concurrence.

20. Each partial Resettlement Plan will include: (a) an inventory; (b) a socioeconomic survey; (c) detailed compensation and entitlement information; (d) payment and rehabilitation schedule; and (e) cost estimate and funding source. The forms are found in the attachments.

21. The partial Resettlement Plan will be implemented and compensation completed satisfactorily before an approval can be provided by the NPMO for award of civil works contract under each activity.

Full Resettlement Plans
22. In case where the impact of land and property acquisition by a given project activity under Component 1 is significant, a full Resettlement Action Plan for each such project activity will be prepared by the respective PCU in accordance with the

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\(^1\) Impacts are considered **minor** if no affected people are physically displaced and less than 10% of their productive assets are lost. Impacts are considered **significant** if the following conditions apply: the affected people are physically displaced and more than 10% of a household’s productive assets are lost; or 200 or more people are affected for each sub-project.
provisions of this Policy. The full plan will be submitted by the National Project Management Office (NPMO) to the World Bank for its concurrence.

23. Each Plan will include: (a) description of the civil work related, and location and scope of the land acquisition; (b) an inventory; (c) a socioeconomic survey; (d) detailed compensation and entitlement information; (e) implementation and rehabilitation activities; (f) community participation; (e) grievance procedures; (f) arrangements for monitoring and evaluation, (g) implementation schedule and; and (h) cost estimate and funding source (See annex B).

24. The National Project Management Office will ensure that the compensation, resettlement and rehabilitation activities will be satisfactorily completed before a no objection from the World Bank will be provided for award of contract of civil works for each activity.

25. Compensation and rehabilitation will be funded the provincial counterpart fund in the Project for activities under Component 1. Compensation and rehabilitation for Village Development sub-projects will come from the village.

**Village Development Projects**

26. The Project will support village development through technical assistance and training to prepare Village Development Plans, as well as initial Village Development grants for Village Development projects. The projects eligible for grants will be chosen from a menu, which will include activities related primarily to improving food security (i.e., agricultural and livestock production), other livelihood, or income-generating, activities, and village infrastructure. If a VD project is approved that requires land and/or property acquisition, this policy will apply and the cost will be borne by the village.

27. Land acquisition will be kept to an absolute minimum and no person will be involuntarily displaced under the Village Development component. Sub-projects may not fund the acquisition of land under any conditions: it cannot approve the use of grant funds for any purchase or rental/lease agreement with any group or individual. However some land acquisition or relocation may occur on a voluntary basis or with compensation (possibly in-kind) provided by the village. Thus, subproject proposals that would require demolition of houses or acquire productive land, permanently or temporary, must be carefully reviewed by District Staff and approved by the Provincial Project Office.

28. The review process should confirm that no satisfactory alternative is available, that affected persons have been informed about their rights to compensation and assures that they have agreed with the arrangements. A description of the resettlement or land acquisition impact must be included in the subproject proposal. For subprojects with more than 100 persons or 10% of holdings affected by land acquisition and for subprojects with more than five households or structures being resettled or moved a separate partial Resettlement Plan is required. Approval from the National Project Management Office is required in such cases.

29. Replacement Cost: The principle of valuation used to determine appropriate compensation for lost land or other assets. Replacement cost refers to the amount necessary for actual replacement of the lost asset. To achieve replacement cost, assets
cannot be depreciated for age or prior use. Replacement cost also is net of taxes, fees, or any other deductions for any other purpose. The project funds cannot be used to pay such costs, therefore proposals must explain how the village will provide appropriate compensation where this is necessary.

30. In accordance with traditional practices villagers may choose to voluntarily contribute land or assets and/or relocate temporarily or permanently from their land without compensation. This can often be justified because the project will either increase the value of the remaining property or provide some other direct benefit to the affected people. Voluntary contribution is an act of informed consent. District Staff must assure that voluntary contributions are made with the prior knowledge that other options are available, and are obtained without coercion or duress. Proposals including voluntary contributions will not be submitted for approval where they would significantly harm incomes or living standards of individual owners or users (the amount contributed on a voluntary basis should usually not exceed 5% of that individual’s holding).

31. Villagers may volunteer to relocate or contribute land against compensation from the village (the subproject grant cannot be used to pay compensation). In such cases, District Staff will ensure that the following means of compensation are agreed to and provided before works are undertaken:
   a) replacement of land with an equally productive plot or other equivalent productive assets;
   b) materials and assistance to replace fully solid structures that will be demolished;
   c) replacement of damaged crops, at market value;
   d) other acceptable in-kind compensation.

32. For both types of land acquisition (voluntary or against compensation), District Staff will ensure that all occupants of land and owners of assets affected are consulted and agree to the arrangements. The proposal will include a description of the persons affected, impacts involved (e.g. land, planted trees, crops, houses and other structures) and agreements reached (e.g. nature and amount of compensation).

33. For subprojects with significant land acquisition (e.g. affecting more than 100 persons or more than 10% of the holdings of project affected persons, or relocating more than five households) a separate partial Resettlement Plan is required. The Plan will include the following elements, as relevant:
   a) basic data identifying impacts and persons affected;
   b) arrangements for in-kind replacement of land or for compensation at replacement cost, including signed statements by all affected landowners confirming that these arrangements are satisfactory;
   c) arrangements to ensure adequate performance by contractors relating to compensation for temporary impacts;
   d) a schedule of assets (other than land), which will require to be replaced as part of the construction contract, and signed statements by the affected owners confirming that these arrangements are satisfactory;
   e) an implementation schedule indicating that replacement land will have been provided before implementation of the project begins;
f) a sitting map and field measurements validated by villagers, showing land to be acquired and replacement land to be provided, sufficiently detailed to allow verification;

g) arrangements for disclosure of information, consultations, and procedures for pursuing grievances.

Process Framework for Restrictions to Resources

34. In rare occasions, it is possible that the Project may impact upon villagers’ access to natural resources, which may have some negative impacts on their livelihoods. The Project will be supporting participatory sustainable management of natural production forests, based on customary rights. However, in preparing the management plans for these forests, it is possible that some involuntary restriction of natural resource access may result, which could impact upon peoples’ livelihoods.

35. For villages participating in forest management such potential, but unlikely, impacts are mitigated through the Village Development grant that they will be receiving as well as through the revenues from sustainable forest production. No further actions are required for these villages.

36. Although highly unlikely, some villages may choose not to participate in the project. These villages will maintain their customary rights to forest resources, however, some restrictions to access to resources may occur. These villages will receive compensation and mitigation from the project, by way of village development grants and assistance, or by way of compensation from the respective Forest Management Area. Compensation may be provided to the village as a whole or to affected persons within the village.

37. The Provincial Project Coordination Office will be responsible for determining the specific arrangements in consultation with the affected persons. The arrangement will be described in a Plan of Action describing the persons affected, type and level of impact, specific measures to be undertaken to assist the affected persons, and the arrangements for their implementation. The Plan is approved by the National Project Management Office. The Plan shall include the following elements: (a) description of the persons affected; (b) type of impacts; (c) value of resources lost over a five year period involved (e.g. land, planted trees, crops, houses and other structures) and agreements reached (e.g. nature and amount of compensation).

Institutional Arrangements

38. The SUFORD National Project Management Office will see that institutional arrangements are in place to ensure effective and timely design, planning, consultation and implementation of the compensation program. The responsibility for implementing the Policy and Resettlement Plans are as follows:

   (a) The National Project Management Office (NPMO) under the MAF has the overall responsibility for implementing the Policy and ensuring that all compensation, resettlement and rehabilitation activities are satisfactorily completed before submitting requests for no objection from the World Bank for award of civil works contracts.²

² GOL and the World Bank may agree after the first year that review and approval of Partial Resettlement Plans can be undertaken by the National Project Management Office.
(b) The NPMO will facilitate the discussions between the province and the Governor's Office regarding compensation for land acquired for the sub-projects.

(c) It will monitor the PCU’s work to ensure that the activities are carried out in a satisfactory manner.

(d) It will ensure that reports are submitted to the World Bank on a regular basis.

(e) The Provincial Implementation Unit (PCU) is responsible for obtaining all relevant completed displaced person inventory and socio-economic surveys for the infrastructure activities in its province. It will prepare the compensation package for displaced persons according to the Project’s Resettlement Policy and in cooperation with the appropriate provincial agencies and the Governor’s Office.

(f) It will send a copy of the completed forms (inventory, socio-economic survey and compensation information) to DAFO in the district. It will ensure that the compensation in land or in cash is available for the DAFO to pay the displaced persons.

(g) It will monitor the proper implementation of DAFO regarding consultation with displaced persons and the payment of compensation and other entitlements.

(h) It is also responsible for organizing the orientation and training on this policy for the concerned DAFO staff and the Village Head so that they can carry out the Resettlement instruments, consultation with displaced persons and implement the payment of compensation and other rehabilitation entitlement to displaced persons in a timely manner and as agreed.

(i) The DAFO, under the guidance of the PCU is responsible for the following activities under this Framework: information dissemination about the Project and the Resettlement Policy Framework, consultation with displaced persons, payment of compensation and other rehabilitation entitlements to displaced persons in a timely manner.

(j) It should report to the PCU if there are any problems with the Resettlement instruments and implementation.

**Entitlement/Compensation Policy**

39. Displaced persons will be entitled to the following types of compensation and rehabilitation measures:

(a) Displaced persons losing agricultural land and crops

   i) Compensation of lost agricultural land will be through provision of "land for land" arrangements of equal productive capacity of the lost land and satisfactory to the displaced persons.

   ii) Displaced persons will be compensated for the loss of standing crops, fruits and planted trees at market price.

   iii) Displaced persons whose land is temporarily taken by the works under the Project will be compensated for their loss of income, standing crops and for the cost of soil restoration and damaged infrastructure based on the temporarily impacted period. If this period is more than two years, the impact is to be considered permanent.

(b) Displaced persons losing residential land and structures

   i) The mechanism for compensating loss of residential land and structures will be:
(1) the provision of replacement residential land of equivalent size, satisfactory to the displaced persons; and
(2) cash compensation reflecting full replacement cost of the structures, without deduction for depreciation or salvage materials.

ii) If the impact on residential land and/or structure is minor, cash compensation at replacement cost acceptable to the displaced person will be provided.

iii) If the residential land and/or structure is partially affected by the Project and the remaining residential land is not sufficient to rebuilt the residential structure lost, then at the request of the displaced person the entire residential land and structure will be acquired at full replacement cost, without depreciation. The threshold of insufficient remaining residential land is to be determined based on the consultation with displaced persons.

(c) Displaced persons losing commercial land, structures and business

i) The mechanism for compensating loss of business will be:
(1) the provision of alternative business or commercial site of equal size and accessibility to customers, satisfactory to the displaced person;
(2) cash compensation for lost business structure reflecting full replacement cost of the structures, without depreciation; and
(3) cash compensation for the loss of income during the transition period.

ii) Displaced persons will also be provided compensation at full replacement cost, without deduction for depreciation and salvage materials for any other fixed assets affected in part or in total by the Project.

People’s Participation

40. The displaced persons will participate throughout the various stages of the planning and implementation of any resettlement instrument. For these purposes and prior to the preparation of the resettlement instrument, the displaced person will be informed of the provisions of this Policy at public meetings held by the respective PCU, DAFO and Village Committees. (See Annex for Steps in Land/Property Acquisition and Compensation).

41. Each household displaced person will be fully informed by the relevant DAFO and/or Village Committees of their entitlements/compensation and rehabilitation choices under the resettlement instrument. After compensation, each displaced person household will sign an acceptance letter.

42. For the Village Development projects, the villagers will, if necessary, plan and decide among themselves how to deal with land and/or property acquisition based on the Policy. The Village Committee will be responsible for informing displaced persons of the provisions of this Policy and to ensure that they are satisfied with the outcome. Minor impact on residential land is defined as less than 20% of the total residential land holding and the remaining area is not less than 200 m².
43. Provincial monitoring will obtain feedback from displaced persons to see if there has been compliance with the Resettlement Policy Framework. The World Bank team will also monitor these activities in its regular supervision missions during the period of project implementation; consultation with displaced persons and beneficiaries will be conducted.

Implementation Schedule
44. A detailed implementation schedule of the various activities to be undertaken will be included in each resettlement instrument. Satisfactory payment of compensation and provision of other rehabilitation entitlements, and relocation if that be the case, will be completed before a no objection from the World Bank can be provided for award of civil works contract under each sub-project.

Complaints and Grievances
45. Complaints and grievances related to any aspect of the Resettlement Policy Framework, including the determined quantities and price of the lost assets, will be handled as follows:

(i) As a first stage, affected or concerned persons will present, verbally or in writing, their complaints to provincial project staff or advisors, who will have to provide a documented response to the claimants within fifteen days. Reports on each complaint and subsequent measures taken must be given to the Provincial Project Office, with routine summaries sent to the National Project Management Office (NPMO) as attachment to regular/monthly reports.

(ii) If the claimants are not satisfied with the decision, the case may be submitted to the National Project Office in Vientiane, as well as to local authorities (e.g. the Provincial Assembly). Specified authorities should record receipt of complaints and reply to the claimants within fifteen days. The national project management team must record reports on each complaint and subsequent measures taken.

46. Displaced persons will be exempted from all taxes, administrative and legal fees.

Supervision, Monitoring and Evaluation
47. Implementation of the Resettlement Plans will be regularly supervised and monitored by the respective DAFO and PCU. The findings will be recorded in quarterly reports to be furnished to NPMO. The World Bank team will also monitor these activities in its regular supervision missions during the period of project implementation.

48. The key monitoring indicators include:

(a) Whether the component involving land acquisition has prepared the action plan according to the requirement of the Resettlement Policy Framework, and the World Bank OP 4.12;
(b) Whether there has been adequate consultation of and participation by the affected people;

(c) Signature of land acquisition agreements; and use of land acquired;

(d) Time and amount of payment of compensation based on the village level and private;

(e) Implementation of rehabilitation measures, such as type, quantity, and location of land for adjustment, and appropriate allocation of compensation to affected households;

(f) Functioning of grievance mechanism; and

(g) Changes of economic status of affected people/households.

**Costs and Budget**

49. Each Resettlement Plan 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, other structures, businesses, other assets and cost for compensation or Resettlement Plan implementation. The cost estimates will make adequate provision for contingencies.

50. The Resettlement Plans will also include information on how the funds will flow and the compensation schedule.

51. It will clearly state from where the sources of fund will come. For the infrastructure activities, land based compensation for productive, residential and commercial land will come from the village land through the approval of the Governor's Office. Cash compensation for structures, trees, crops, income loss and rehabilitation assistance will come from the provincial counterpart fund of the Project.

52. For Village Development projects, all compensation will be the responsibility of the village.

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**ANNEX A:** Steps in Land/Property Acquisition and Compensation  
**ANNEX B:** Outline for Resettlement Action Plan  
**FORMS:**  
1. Inventory (Census) of Displaced persons  
2. Socio-Economic Household Data Sheet of Displaced persons  
3. Compensation/Entitlements of Displaced persons
**Annex A  Steps In Land/Property Acquisition and Compensation**

For Each Project Activity Involving Land and Property Acquisition

<table>
<thead>
<tr>
<th>Activity</th>
<th>Responsible</th>
<th>When</th>
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<tbody>
<tr>
<td>Orientation and training in the Compensation, Resettlement and Rehabilitation policy and procedures will be provided to districts and villages</td>
<td>NPMO and PCU</td>
<td>Introduction of Project</td>
</tr>
<tr>
<td>1. District works with villagers to select and prioritize development activities including infrastructure for construction and/or improvement</td>
<td>VDC and DAFO</td>
<td>During planning period</td>
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<tr>
<td>2. VDC consults and discuss potential land and structure acquisition impact with affected head of household</td>
<td>VDC</td>
<td>During planning period</td>
</tr>
<tr>
<td>3. Provincial and District engineers design infrastructure and finalizes exact amount of land and structure to be affected</td>
<td>Provincial and District Engineers</td>
<td>During start of Implementation</td>
</tr>
<tr>
<td>4. Complete inventory and socio-economic survey of affected households</td>
<td>Provincial and District Engineers and DAFO</td>
<td>During start of Implementation</td>
</tr>
<tr>
<td>5. Hold another consultation with affected households and agrees on compensation and provide contact names and address for grievance/complaints</td>
<td>DAFO and VDC</td>
<td>During start of Implementation</td>
</tr>
<tr>
<td>6. Complete entitlement form and set schedule and funding source for payment</td>
<td>PCU and DAFO</td>
<td>During start of Implementation</td>
</tr>
<tr>
<td>7. PCU submits all completed forms to NPMO for review</td>
<td>PCU</td>
<td>Three months before award of contract for construction</td>
</tr>
<tr>
<td>8. NPMO reviews and approves Partial Resettlement Plans and submits full Resettlement Action Plan to World Bank</td>
<td>NPMO</td>
<td>Three months before award of contract for construction</td>
</tr>
<tr>
<td>9. World Bank reviews and approves Full Resettlement Action</td>
<td>World Bank</td>
<td>Three months before award of contract for construction</td>
</tr>
<tr>
<td>10. PCU pays cash compensation to affected households from provincial budget for affected structures, trees, crops and rehabilitation assistance for Partial and Full Resettlement Action Plans</td>
<td>PCU Village provides compensation for affected agricultural and productive land from village land bank</td>
<td>One month before award of contract for construction</td>
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<tr>
<td>11. World Bank provide ‘no objection letter (NOL) for award of contract for construction work in the case of project activities with full RAP.</td>
<td>World Bank</td>
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</table>

VDC  Village Development Committee  
DAFO  District Agriculture and Forestry Office  
PCU  Provincial Project Implementation Unit  
NPMO  National Project Office  
RAP  Resettlement Action Plan
Appendix B. Outline for Resettlement Action Plan

1. Description of Civil Work

Describe the civil works that will require land acquisition or resettlement

2. Scope of Land Acquisition or Resettlement

This section mainly describes the content, location, scale and quantity of land to be acquired and occupied of the component with indication map attached. If house removal and resettlement are involved, a detailed description will also be presented. All inventoried data (impacts of land acquisition or house demolition) will be broken down by different categories and presented in tabular forms by villages. Land will be broken down by different types and houses by different structures. The affected population will be presented against different categories of impacts.

3. Policy and Regulation on Land Acquisition and Occupation

Important policies and regulations on land acquisition including resettlement, if necessary, will be mentioned. They will refer not only to state laws and regulations such as Land Law etc., but also relevant implementation rules, regulations, and supplementary documentation issued in the province and municipality as well as World Bank OP 4.12. Emphasis will be attached to the introduction of important paragraphs directly relating to land acquisition. In addition, some local policies possible to be adopted during land acquisition, although not included in official laws and regulations, will also be introduced and their roles such as the methods of land compensation, change and calculation of resettlement should be stated.

4. Baseline Socioeconomic Information on the Affected Population

The survey for local general social economic conditions and farmer per capita income will be summarized here for a baseline socioeconomic situation for future comparison in resettlement evaluations. Meanwhile, accurate endorsed inventory should include the number and name of the affected item, the quantity and population of affected farm households as well as the area and quality, if necessary, relocation of buildings. In addition, the damaged young crops, fishponds, etc. will be included in the survey as well.

5. Compensation Rates

The compensation rates for different categories of impacts will be summarized here. The calculation method for land compensation needs to be detailed. Compensation for structures will be at replacement costs and it will be explained how these rates are arrived at. In the meantime, the compensation and resettlement can be classified into two types: compensation to the affected village, such as land, farmland and facilities, etc.; the direct compensation to individual farm households, including the private properties such as young crops, fruits, trees as well as houses (for employees, including unemployment subsidies and temporary subsidies). The purposes are to protect the rights and welfare of displaced persons and units.
6. Budgets

The resettlement budget will be presented here, including the basic costs and contingencies (and price escalation) if required and all administrative costs and fees. The cost estimate of land acquisition and resettlement will be determined by relevant laws and regulations, land types and resettlement criteria. Financing sources and disbursement channels need to clearly stated here, too.

7. Timetable for Land Acquisition and Resettlement

An implementation schedule needs to be presented here, with critical target dates and linked to the construction schedule of civil works. An implementation bar chart will be more illustrative.

8. Institutional Organization and Staffing

The institutional organization for overall land acquisition and resettlement will be stated with clear responsibilities for each level of organization. The staffing arrangement needs to be specified.

9. Monitoring

Arrangements for internal and external monitoring will be explained here, including responsible units, scope of responsibilities, monitoring indicators and reporting requirements.

10. Village Participation

Relevant project staff will fully discuss the land acquisition and resettlement caused by the rural road components with units and individuals involved. They will inform each village and household of land acquisition in advance through conferences and other means and state specific relevant policies, compensation and arrangement in detail. The steps and methods to be adopted to consult with units and individuals involved will be described in the land acquisition and resettlement plan. In addition, their comments and recommendations will be taken into account during land acquisition and an attitude of understanding and consultation will be taken so as to promote their participation in land acquisition and resettlement.

11. Grievance Redress Mechanism

Displaced persons and units’ rights will be fully recognized, maintained, and protected. In addition to some adequate compensation, opportunities and rights for further development will be made available for them. The mechanism of claiming will be regulated and set up in the action plan of land acquisition and resettlement. In particular, if any displaced persons have justified grievances during implementation, they will have an adequate channel to report and make claim to the departments concerned, and their claims found in conformity with plan and policy must be settled quickly.
# Form 1

**Inventory (Census) of Displaced persons**

<table>
<thead>
<tr>
<th>Survey No.</th>
<th>Name of head of Household</th>
<th>No. of persons in HH</th>
<th>Total land-holding of HH in m²</th>
<th>Land to be acquired in m² by type</th>
<th>Loss of % in total</th>
<th>Loss of Assets</th>
<th>Loss of Crops</th>
<th>Loss of Other Assets</th>
<th>Other Losses</th>
<th>Temporary Losses (specify)</th>
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Province:  
District:  
Village:  
VD Project (or Project Activity):
Form 2
Socio-Economic Household Data Sheet of Displaced persons

<table>
<thead>
<tr>
<th>Province:</th>
<th>District:</th>
<th>Village:</th>
<th>VD Project (or Project Activity):</th>
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<thead>
<tr>
<th>Survey No.</th>
<th>ID No. of Household</th>
<th>Names of HH members</th>
<th>Sex</th>
<th>Age</th>
<th>Ethnicity</th>
<th>Education</th>
<th>Occupation and sources of income</th>
<th>Employment</th>
<th>Estimated total income per year</th>
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Form 3
Compensation / Entitlements of Displaced persons

Province: ___________________ District: ___________________ Village: ___________________ VD Project (or project Activity): ___________________

<table>
<thead>
<tr>
<th>Survey No.</th>
<th>Name of head of HH</th>
<th>Compensation for Land</th>
<th>Compensation for Structures</th>
<th>Compensation for Crops and Trees</th>
<th>Compensation for Other Assets (wells, graveyards, fences, etc.)</th>
<th>Total in Kip</th>
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<tbody>
<tr>
<td></td>
<td>Quantity (m²)</td>
<td>Unit price (m²)</td>
<td>Entitlement in Kip</td>
<td>Quantity (m²)</td>
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