POLICY FRAMEWORK FOR COMPENSATION, RESETTLEMENT AND REHABILITATION OF DISPLACED PERSONS

Road Network Improvement Project

(Final)

Revised August, 2004

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A) INTRODUCTION

i) Project Description
The Road Network Improvement Project (RNIP) will include the rehabilitation and strategic widening of approximately 635 km of roads and a rolling program of prioritized periodic maintenance on the existing National Highway network. Feasibility studies and engineering design are underway, and impacts on resettlement and ethnic minorities are now being evaluated. Nearly all work is expected to take place within the existing right-of-way. No major acquisition of private assets and displacement of population are therefore foreseen – but land acquisition and resettlement may occur due to limited widening in high traffic urban areas and encroachment into the right-of-way. The project area constitutes an environmentally and socially sensitive zone, with some subprojects located near wildlife sanctuaries, protected habitats, areas of cultural sensitivity, and the homes of poor and vulnerable households in Vietnam, possibly including those of ethnic minorities. The RNIP will be complemented by a number of on-going efforts at the commune and village level, in particular the Government of Vietnam’s (GOV) Transport Development Plan, 2001-2020, the “Poorest Communes Program”, the World Bank financed Northern Mountains Poverty Reduction Project and Second Rural Transport Project, as well as various community-based and rural development activities in secondary, tertiary and sub-tertiary projects financed by the ADB (Asian Development Bank) and others. Two policy frameworks have been developed for RNIP Project: one to guide the preparation and implementation of resettlement plans; and the other to guide the preparation and implementation of ethnic minority development plans.

ii) Resettlement Policy Framework
(a) This Resettlement Policy Framework lays down the principles and objectives, eligibility criteria of Displaced Persons (DPs), entitlements, legal and institutional framework, modes of compensation and rehabilitation, peoples’ participation features and grievances procedures that will guide the compensation, resettlement and rehabilitation of the DPs.

(b) This policy framework and its provisions will also apply to other projects or development activities which have been recently completed, are carried out, or planned to be carried out, contemporaneously with the project, regardless of sources of funding, which are directly and significantly related to the RNIP sub-components and are necessary to achieve its stated objectives.

B) DEFINITION OF KEY TERMS

i) Displaced Persons (DPs)
The DPs include the person or persons, household, firm, or a private or public institution to be identified by the baseline information collected for each of the Inventories and Resettlement Action Plans (RAPs) as specified in K, Surveys and Documentation, Para. (iii), who, on account of the execution of the Project, has experienced or would experience direct economic and social impacts caused by:
(a) the involuntary taking of land, resulting in:
   (A) relocation or loss of shelter;
   (B) loss of assets or access to assets; or
   (C) loss of income sources or means of livelihood, whether or not such person
   must move to another location; or
(b) the involuntary restriction of access to legally designated parks and protected
   areas, resulting in adverse impacts on the livelihood of such person.

“Displaced Persons” means, collectively, all such Displaced Persons.

ii) Compensation

Compensation includes the process of financial or material reimbursement of DPs
who lost partial or the absolute value of their assets as a result of the Project. Compensation also includes the valuation and reimbursement in monetary terms or in kind of financial and physical losses as a result of impacts of the Project.

iii) Cut-off date

The cut-off-date is the last day of the survey when all DPs have been accounted for. After the cut-off date, no other DPs may be included in the inventory of DPs. The inventory lists all potential DPs, including their baseline information. People who move residences or business assets into or within the marked right of way after the cut-off date are not entitled to compensation under this policy framework.

iv) Rehabilitation

Rehabilitation means providing assistance to DPs severely affected due to the substantial or entire loss of productive assets, incomes, employment or sources of living, to supplement payment of compensation for acquired assets in order to improve, or at least achieve full restoration of incomes and living standards to the pre-project levels.

v) Replacement Cost

With regard to land and structures, “Replacement Cost” is defined as follows:

(a) 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.

(b) 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.
(c) For houses and other structures, it is provided by the Provincial People’s Committee based on the market cost (at the time of compensation) 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.

(d) Crops, trees and other perennials based on current market value
i. Compensation for annual crops is equivalent to the production over the last three years multiplied by the market price for agricultural products at the time of the calculation of the compensation.

ii. Compensation for trees includes total investment cost plus production cost from the time of its planting to the expropriation. In case this cost cannot be determined, the compensation will be calculated on the basis of the type, age and productive value.

(e) Other assets (i.e., income, cultural, aesthetic) based on replacement cost or cost of mitigating measures. For example, compensation for the movement of graves includes all expenditures for exhumation, movement and reconstruction to its original state.

vi) Resettlement
Resettlement refers to all measures taken by the Project Proponent to mitigate any and all adverse social impacts of a project on the DPs, including compensation for lost assets and incomes and the provision of other entitlements, income rehabilitation assistance, and relocation, as needed.

vii) Right of Way
For this Policy Framework, Right of Way (ROW) is determined by measuring both sides of the road, starting from the existing or proposed centerline to the outside edge of the cleared zone.

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

(a) Poor and very poor communes as identified by the 1999 national survey results.
(b) Ethnic minorities (see Policy Framework for Ethnic Minority Development Plan).
(c) Mentally and physically handicapped people or people in poor physical health.
(d) Infants, children and women.
(e) Households without security of tenure or with tenure status.

ix) DPs Without Legal Title

DPs without legal title are occupants of land and housing without legal ownership rights and individuals or groups of people with shops conducting business in the immediate project areas without official registration and will be adversely impacted by the Project through displacement. DPs without legal title are entitled to compensation provided their assets affected by the project were documented in the pre-project census prior to the cut off date.

x) Sub-project

Roads under RNIP that are brought forward for implementation, starting with feasibility study, preliminary and final design, are defined as sub-projects and are subject to the policy and guidelines of this framework.

xi) Ethnic/Indigenous People

Ethnic/Indigenous People are defined as persons who belong to a minority tribal group affected in part or in total (temporarily or permanently) by the Project due to acquisition of their lands, dwellings, disturbance of their place of work, and other Project-related adverse impacts.

xii) Land Use Registration Certificate (LURC)

LURC is similar to a title granted to DPs that legalize their use of the lands and/or houses they occupy.

xiii) Relocation Site

The relocation site is defined as the area allocated for the resettlement of DPs living on both sides of RNIP sub-projects that are severely affected and who choose relocation over cash compensation.

C) OBJECTIVES

i) The principle objective of the Resettlement Policy Framework is to ensure that all Displaced Persons (DPs) will be compensated for their losses at replacement cost and provided with other assistance and rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards and income earning capacity.

ii) The Government of Vietnam (GOV) will make every effort to avoid, or where it is not possible, to minimize displacement and adverse impacts of projects by examining all available design options.
iii) Should the need for resettlement occur, it will be treated as an integral part of the project and be implemented in full consultation and participation with the Displaced Persons.

iv) Attention is paid to affected vulnerable groups in order to enhance their future prospects and for poverty alleviation.

D) PRINCIPLES

The compensation principles outlined in the World Bank's Operational Policy 4.12 have been adopted in preparing this Resettlement Policy Framework. In this regard the following principles and objectives will be applied:

i) For each RNIP sub-project a separate resettlement study shall be carried out, including planning and implementation of a RP if required, funding and monitoring and evaluation of subsequent action.

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

iii) The Project is not anticipated to involve the acquisition of or impact upon wildlife sanctuaries, protected habitats, and areas of cultural sensitivity. Special attention will be made to avoid and restrict access to these locations. Where appropriate, the GOV will develop mitigation plans to ensure that the project has a minimal impact on cultural or natural resources.

iv) Special attention will be placed on minimizing the adverse impact on vulnerable groups and where this is unavoidable, assistance would be provided to achieve stated objectives of this policy framework.

v) All DPs residing, working, doing business or cultivating land in right of way (ROW) of the Project roads and other project areas, as of the date of the baseline surveys are entitled to be provided with compensation, other assistance and 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 DP from entitlement to such measures.

vi) The compensation measures to be provided are:

(a) Compensation at replacement cost without deduction for depreciation or salvage materials for houses and other structures;

(b) Agricultural land for land of equal productive capacity acceptable to the DP or in case suitable replacement land is not available and at ‘informed request’ of DPs, compensation in cash at replacement cost;

(c) Replacement of premise land of equal size acceptable to the DP or in case suitable replacement land is not available cash compensation at replacement cost may be provided at ‘informed request’ of the DPs;
(d) Transfer, transition and subsistence allowances;

(e) Compensation at replacement cost for temporary impacts;

(f) Compensation at replacement cost for DP without legal rights to their affected assets as identified before the cut-off date and other assistance to ensure that they are not worse-off due to the project;

(g) Economic rehabilitation assistance for severely affected DPs and vulnerable groups to improve, or at least restore their incomes and standards of living to pre-project level on a sustainable basis;

(h) In the case of loss of business, DPs will be provided with a special allowance for the loss of business income during the transition period;

(i) Compensation at replacement cost of partial impacts on existing structures together with allowance for repair of remaining structures; and

(j) Replacement premises and agricultural land will as nearly as possible equal in value to the land that was lost, and acceptable to the DP.

vii) The resettlement transition period will be minimized and the compensation and other rehabilitation means will be provided to the DPs no later than one month prior to the expected start-up date of works in the respective Project site.

viii) Tenants who have leased a house / structures for residential or other purposes and affected by the project will be provided with a cash assistance equivalent to six months rental allowance and to cover for other losses, and will be assisted in finding alternative rental accommodation.

ix) Plans for acquisition of land and other assets and provision of compensation and other rehabilitation measures will be carried out in consultation with the DPs, to ensure minimal disturbance. Entitlements will be provided by DPs no later than one month prior to expected start-up of works at the respective project site.

x) The previous level of community services and resources will be maintained or improved.

xi) Any acquisition of, or restriction on access to resources owned or managed by affected community as a common property should be mitigated by arrangements ensuring access to improved or at least equivalent resources on a continuing basis.

xii) Financial and physical resources for resettlement and rehabilitation will be made available and as when required.

xiii) Institutional arrangements will ensure effective and timely design, planning, consultation and implementation of the Inventories and RPs.

xiv) Effective and timely supervision, monitoring and evaluation of the implementation of the Inventories and RPs will be carried out.
All replacement land for agriculture, residential and businesses will be provided with secured tenure status and without any additional cost, sales taxes, fee, and surcharge to the DPs at the time of transfer.

E) ENTITLEMENTS

DPs will be entitled to the following types of compensation and rehabilitation measures:

i) DPs losing agricultural land and crops
   (a) DPs with legal or legalizable rights of land use
      i. The general mechanism for compensation of lost agricultural land will be through provision of "land for land" arrangements of equal productive capacity, satisfactory to the DP.

      However, if the DP prefers to receive cash compensation or replacement land is not available then the following applies:

      • If the portion of the land to be lost represents 20% or less of the total area of the landholding, and the remaining land is still a viable economic holding, cash compensation, at full replacement cost, may be provided to the DP; or

      • If more than 20% of a villager's agricultural land is acquired and the remaining holding is not viable then the Project will acquire the entire landholding and provide cash compensation at full replacement cost.

   ii. DPs will be compensated for the loss of standing crops and fruit or industrial trees at market price. Productive trees will be compensated at replacement cost.

   iii. DPs whose land is temporarily taken by the works under the each sub-project will be compensated for their loss of income, standing crops and for the cost of restoration of the land to its previous productive status, and for damaged infrastructure.

   iv. Severely Affected DPs. A severely affected DP is one who loses 20% or more of their agricultural landholdings and/or one who is forced to relocate their residence or business as a result of the Project.

   v. Severely affected DPs and vulnerable groups will receive economic rehabilitation assistance in the form of income rehabilitation programs, training to improve skills and other assistance for self-employment enabling them to attain, at a minimum, pre-project livelihood levels on a sustainable basis.

(b) DPs without legal or legalizable rights of land use

   i. DPs who are left with no agricultural land, or whose remaining land is less than the standard in the locality (The standard for households’
agricultural land area is based on the number of laborers in the household, and is determined by the PPC for the locality), will be provided with replacement agricultural land to meet the standard of the locality to ensure the achievement of the policy objectives.

ii. The remaining DPs will not be provided with land compensation, but will be provided with income rehabilitation assistance if severely affected and their lost crops, houses and other assets will be compensated fully at replacement cost.

(ii.) DPs losing residential land and structures:

(a) DPs with legal or legalizable rights of land use

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

ii. If the residential land and/or structure is only partially being affected by the Project and the remaining residential land is not sufficient to rebuild the residential structure lost in accordance with the prevailing standards, then at the request of the DP the entire residential land and structure will be acquired at full replacement cost, without depreciation.

iii. All relocated DPs will be provided with transportation and subsistence allowances as specified in Article 4 of Decree 22/CP.

iv. Tenants, who have leased a house for residential purposes will be provided with a cash grant of from three to six months rental fee at the prevailing market rate in the area, and will be assisted in identifying alternative accommodation.

v. Severely affected DPs and vulnerable groups will receive shelter or other forms of economic rehabilitation from the GOV if deemed necessary and where applicable.

vi. In case of partial impact on structures and where the remaining structures remain viable for continued use, DPs will also be entitled to additional allowance for repair of remaining structure.

(b) DPs without legal or legalizable rights of land use

i. In terms of their lands: If the DPs do not have other residential land or the remaining land is not sufficient enough for rebuilding the new house, they will be provided with replacement land to meet standard size of the locality.

ii. For the other cases there will be no land compensation, but their houses, and structures will be compensated as DPs with legal or legalizable rights of land use.
(iii) DPs losing business:

(a) The mechanism for compensating loss of business will be the same that applies for the lost residential land and structures such as: (1) the provision of alternative business site of equal size and accessibility to customers, satisfactory to the DP; (2) cash compensation for lost business structures reflecting full replacement cost of the structures, without depreciation or deductions for salvages building material. In addition DP will receive cash compensation for the loss of income during the transition period.

(b) DP with business relocation will be entitled to income rehabilitation assistance.

(iv) DPs 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, such as tombs and water wells.

(v) In cases where community infrastructure such as schools, factories, water sources, roads, sewage systems is damaged, the GOV will ensure that these would be restored or repaired as the case may be, at no cost to the community.

(vi) Other support policies

Article 26 of Decree 22 provides that based on local conditions, the Chairperson of the People’s Committee of the province or city may decide on a number of policies pertaining to the allowances paid to the persons whose lands are to be acquired for the Project. These include:

a) Families with a member or member/s who is/are receiving social allowances from the State and who have to move their dwelling places due to the recovery of the land shall receive a minimum allowance of 1,000,000 VND.

b) An organization, a household, or an individual who is a user of the land and who carries out the dismantling of the construction, who moves according to the plan of the Council of Compensation for ground clearance shall receive a maximum award of 5,000,000 VND per household.

The entitlement matrix is attached (See Annex 1).

F) INSTITUTIONAL AND LEGAL FRAMEWORK

i) Institutional Framework

The responsibility for implementing the Resettlement Policy Framework and RPs are as follows:

(a) The overall responsibility for enforcement of the Policy Framework and for planning and implementing RPs rests with the GOV (PMU18 (see organizational chart in Annex 2), and/or the Vietnam Roads Administration, VRA). The GOV is responsible for preparing Inventories and RPs and for the
day-to-day implementation thereof within their respective jurisdiction. The peoples committees at the commune level will ensure the active and effective participation of the DPs in the preparation and implementation of RPS.

(b) Funds for implementing RPs will be provided by PMU18 and VRA based on the costs estimated and presented in the RPs for various sub-projects. In case of overruns of costs due to unforeseen delays or other circumstances, PMU18 and VRA will be responsible for providing necessary additional funds as and when required to cover all resettlement costs.

ii) Legal Framework

(a) The legal framework governing the implementation of this Policy Framework and the Inventories and RPS is Article 27 of the 1993 Land Law enacted by the National Assembly of the Socialist Republic of Viet Nam on July 1993, the Decree 64-CP dated September 27, 1993, the Decree No. 87-CP dated August 17, 1994, the Decree No. 22-CP dated April 24, 1998, the Decree No.54-ND-CP dated July 8, 1999, the Circular 145-TT BTC dated November 4, 1998.

(b) Article 27 of the Land Law provides that: "In case of utmost necessity, when the State recovers land being used by a land user, for national defense, security, national benefit, or public benefit purposes, the land user shall be given compensation for the damages."

(c) Decree No. 87-CP provides for minimum and maximum prices for compensation of different categories of land. These prices have been established for purposes of leasing government land, acquisition of land by government, for tax value for transfer of land use rights and for national and public purposes. The prices established in this Decree are set administratively and may not be adequate for compensating the value of the land lost in accordance with the principles and objectives of this Framework (full replacement cost). By now, the Government of Vietnam has removed the compensation cost frame stipulated in Decree 87CP by applying Decree 22-CP which provides the compensation cost on the basis of the land productive capacity and the land-transfer price in each locality in accordance with the principle of compensation based on market price. For houses and buildings, compensation ensures new construction with similar technical class based on the market cost of the materials on local market without deduction for depreciation.

(d) There is therefore need for the GOV to issue a special decision providing for the waiver of the provisions of Decree 87/CP and allowing payment of compensation at replacement cost without deduction for depreciation or salvage materials.

(e) Decree No. 22-CP, which was enacted on April 24, 1998, has significant improvements over earlier decrees. These improvements are as follows: it provides for a wider coverage and increased amounts for transition and moving expenses in relocation; provides for land and cash options for compensation; introduces entitlement for land at above administrative rates.
in the statement "compensation suitable to the profit-making capability..."; and eligibility for entitlement expanded from legal land users to include: (i) legalizable land users; and (ii) those using public right of way can be considered "case by case." However the Decree provides that those without legal rights to land and houses will not be entitled to compensation (Articles 7 and 16). The Decree provides for the establishment of compensation prices that could result in less than 100% replacement cost without depreciation for land (Article 8) and for houses and structures (Articles 17 and 18). The Decree does not mention about renters of non-government houses (Article 25). These articles are contrary to the principles and entitlement policy outlined in this Framework and, therefore, GOV will issue a special decision providing for the waiver of provisions within Articles 7, 8, 16, 17, 18 and 25 of Decree 22 that are inconsistent with the guidelines of the World Bank.

(f) Decree No. 172/1999/CP, which was enacted on December 19, 1999, and became effective as of January 1, 2000, stipulates that DPs within the ROW will be compensated for land and properties if they occupied them prior to the enactment of the Decree. In project areas where the Decree has been fully applied, the policy is consistent with guidelines of the World Bank. In project areas where the Decree has not been correctly effected, this Decree will be waived for DPs without legal or legalizable rights of land use. All DPs residing, doing business or cultivating land in the ROW of NIP roads and other project areas, as of the date of the DMS survey, are entitled to compensation and other rehabilitation measures defined in the RAP. Lack of legal rights to fixed assets will not bar DPs from entitlement to compensation.

(g) In approving this Framework, the Government grants the above-mentioned required waivers and agrees to waive all other decrees, regulations, laws or components thereof that are inconsistent with OP 4.12, as well as authorizes the Ministry of Transport (MOT) and local authorities to provide: (a) compensation at 100% replacement cost without deduction for depreciation and salvage materials, for land, houses and other assets taken by the project; (b) compensation and resettlement assistance to all displaced persons regardless of their lack of title to land or properties lost; and (c) rental allowances at 100% of the DP’s current rental rate.

G) PUBLIC PARTICIPATION, CONSULTATION, COMPLAINTS AND GRIEVANCES

i) Public Participation and Consultation

DPs will participate throughout the various stages of the planning and implementation of the Inventories and RPs. For these purposes and prior to the preparation of the Inventories and RPs, the DPs will be informed of the provisions of this Policy Framework at public meetings at local provincial and district levels as well as by the District Peoples' Committee and Communes Peoples' Committees. Each household DP will be fully informed by the PMU18/VRA through relevant District Peoples' Committee and/or Communes Peoples' Committees of their entitlements and rehabilitation choices under the respective Inventory or RP.
ii) Complaints and Grievances

Complaints and grievances related to any aspect of RPs, including the determined area and price of the lost assets, will be handled as follows:

(a) As a first stage, DPs will present their complaints and grievances to the Commune Resettlement Committees, which will have to provide a written response to the DP, within fifteen calendar days of receiving the complaint. If the DP is not satisfied with the decision of the CRC, the DP may present the case to the District Resettlement Committee within fifteen calendar days of receiving the written response from the CRC authorities. The decision of the DRC should be rendered within thirty calendar days of receipt of the DPs appeal, and can, at the request of the DP within fifty days, be reviewed and revised by the Provincial Resettlement Committee. The decision of the PRC will be provided to the DP in writing within thirty calendar days of the request.

(b) If the DP is not satisfied with the decision of the PRC the case may be submitted for consideration by the District Court.

(c) DPs will be exempted from all administrative and legal fees.

H) MONITORING AND SUPERVISION

i) Implementation of the RPs will be regularly supervised and monitored by the PMU-18/VRA in coordination with the respective PRC and DRCs. The findings will be recorded in quarterly reports to be furnished to the GOV and World Bank.

ii) Internal monitoring and supervision will:

(a) Verify that the baseline information of all DPs has been carried out and that the valuation of assets lost or damaged, and the provision of compensation, resettlement and other rehabilitation entitlements has been carried out in accordance with the provisions of this Policy Framework and the respective Inventory and RP.

(b) Oversee that the RPs are implemented as designed and approved.

(c) Verify that funds for implementing the RPs are provided to the respective GOV at local level (provincial/district) in a timely manner and in amounts sufficient for their purposes, and that such funds are used by the GOV in accordance with the provisions of the RP.

(d) Record all grievances and their resolution and ensure that complaints are dealt with in a timely manner.

iii) An independent agency or agencies will be retained by the GOV to periodically carry out external monitoring and evaluation of the implementation of the RPS. The independent agencies will be academic or research institutions, non Governmental Organizations (NGO) or independent consulting firms, all with qualified and experienced staff and terms of reference acceptable to the World Bank.
iv) In addition to verifying the information furnished in the internal supervision and monitoring reports, the external monitoring agency will visit a sample of 10% of household DPS in each relevant province on a quarterly basis during RP implementation to:

(a) Determine whether the procedures for DPs participation and delivery of compensation and other rehabilitation entitlements have been done in accordance with this Policy Framework and the respective RP.

(b) Assess if the Policy Framework objective of enhancement or at least restoration of living standards and income levels of DPs have been met.

(c) Gather qualitative indications of the social and economic impact of Project implementation on the DPs.

(d) Suggest modification in the implementation procedures of the RPS, as the case may be, to achieve the principles and objectives of this Policy Framework.

I) COSTS AND BUDGET

i) Each RP will include detailed cost of compensation and other rehabilitation entitlements and relocation of DPS, 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 supervision, monitoring and management costs, and contingencies.

ii) Sources of funding for the various RP activities will be clearly specified in the cost tables.

J) IMPLEMENTATION ARRANGEMENTS

i) Sources of funding for the various RP activities will be clearly specified in the cost tables. A detailed implementation schedule of the various activities to be undertaken will be included in each RP.

ii) Payment of compensation and furnishing of other rehabilitation entitlements (in cash or in-kind), except where long-term economic rehabilitation measures are required, and relocation if that be the case, will be completed at least one month prior to initiation of civil works activities.

iii) Administrative and legal fees: DPs will be exempt from all administrative and legal fees in connection with compensation determination, payment and RPs.
K) RESETTLEMENT PLANNING

i) Resettlement Plans

a) In case impacts on the entire affected population are minor or fewer than 200 people are displaced, an Abbreviated Resettlement Plan for each such road or segment of road will be prepared by the respective Provincial Project Management Unit (PPMU) and consolidated by PMU18 for any given Project Annual Work Program, and furnished to the International Development Association (IDA) for its concurrence. The Plan will be in accordance with this Resettlement Policy Framework.

b) In case the impact is significant and more than 200 people are displaced by the rehabilitation of a road or a segment of the road under the Project, a Resettlement Plan (RP) for each such road or segment of road will be prepared by the respective Provincial Project Management Unit (PPMU) in accordance with the provisions of this Resettlement Policy Framework and OP 4.12. The RP will be furnished by PMU18 to the IDA for its concurrence.

c) Each RP and Abbreviated RP will include: (a) a Census and Inventory, (b) a detailed socioeconomic survey of DPs in accordance with (ii.c) below (for RP only); (c) entitlement matrix, (d) estimated resettlement cost, (e) arrangements for compensation implementation, and external monitoring and evaluation, (f) public consultation and participation activities, (g) a timeline and budget for compensation, (h) implementation schedule linked to civil works and (i) description of resettlement sites and programs for improvement and restoration of livelihood and standard of living.

d) Each RP will be completed no later than six months prior to the estimated date for commencement of the works under the respective road or segment thereof. Each RP will be furnished to IDA for consideration no later than four months prior to the actual initiation of the works under the Project. Compensation, resettlement and rehabilitation activities will only commence after IDA has found acceptable the respective RP and the GOV has approved it. The compensation, resettlement and rehabilitation activities will be completed at least one month before the beginning of works under the respective road or segment thereof.

ii) Baseline Information

a. Census and Inventory: will include the following information for each DP household:

(1) Number of persons and names;
(2) Number, type, and area of the houses lost;
(3) Number and area of all the residential plots lost;
(4) Number, category and area of agricultural land lost;
(5) Quantity and types of crops and trees lost;
(6) Businesses lost including structures, land and other fixed assets;
(7) Productive assets lost as a percentage of total productive assets;
(8) Quantity and category of other fixed assets affected by each sub-Project;
(9) Temporary damage to productive assets; and
(10) Loss of incomes and employment.

b. The entitlements of assets and land affected are calculated based on the above information.

c. Detailed socioeconomic survey of the DPs describing their age, sex, ethnicity, education, occupation, income, estimates of household expenditure patterns, skills possessed, savings and debts, and record of fixed and moveable assets.

L) ANNEXES

1. Entitlement Matrix
2. Organization Chart of PMU-18
## Annex 1 – Entitlement Matrix

<table>
<thead>
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<th>LossType</th>
<th>Definition of entitled persons</th>
<th>Application</th>
<th>Compensation Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Agricultural land</td>
<td>1. DPs with legal or legalizable rights of land use will be compensated for their lost lands, or for their total land holdings if remaining holdings are deemed non-viable. 2. DPs without legal or legalizable rights of their land use will only be compensated if their remaining legal holdings are below the locality standard (in which case they will be provided with the minimum standard), but they will be entitled to income rehabilitation assistance if severely affected. 3. DPs who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.</td>
<td>1.1 Permanent Impacts affecting less than 20% of lands</td>
<td>- Cash compensation at full replacement cost of affected area of holding</td>
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<td></td>
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<td>1.2 Permanent Impacts rendering remaining land non-viable or affecting more than 20% of lands</td>
<td>- Choice of &quot;land for land&quot; or cash compensation at full replacement cost for entire holding plus eligibility for income rehabilitation assistance - Development of resettlement sites and rehabilitation assistance for clusters of severely affected DPs (need and scale determined by locality).</td>
</tr>
<tr>
<td></td>
<td></td>
<td>1.3 Temporary Impacts</td>
<td>- Compensation for land restoration, loss of income and standing crops - If temporary impacts last more than 2 years, plots will be considered as permanently affected.</td>
</tr>
<tr>
<td>2 Residential land</td>
<td>Ibid,</td>
<td>Impacts on house foundation area and house yard</td>
<td>Ibid,</td>
</tr>
<tr>
<td>3 Houses and structures</td>
<td>All DPs identified before the cut-off date, including those lacking legal rights to assets.</td>
<td>3.1 Partial impacts</td>
<td>- Cash compensation for affected area of building/structure at full replacement cost issued by the Provincial People's Committee.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>3.2 Entire house/structure affected</td>
<td>- Cash compensation at 100% based on new construction cost (replacement cost) of entire building/structure provided by the Provincial People's Committee. - If a partially affected building is rendered non-viable for continued use, cash compensation at full replacement cost of entire building</td>
</tr>
</tbody>
</table>

Policy Framework for Compensation, Resettlement and Rehabilitation of Displaced Persons
Prepared with the assistance of The Louis Berger Group, Inc.  
PF-16
| 4 | Rented residences | 1. Renters | Cash allowance corresponding to 6 months of rent of lost residence (or time of temporary displacement). Tenant will be assisted in identifying alternative leases. |
| 5 | Crops/trees | All DPs identified before the cut-off date, including those lacking legal rights to assets. | Cash compensation at 100% replacement cost. |
| 6 | Other fixed assets | Ibid, Tombs, wells, fish ponds, cement surfaces, etc... | Ibid, |
| 7 | Business | Ibid, | Cash compensation or cash allowance for lost business income for the duration of the transitional period at 100% of revenue estimates foregone (based on monthly revenue averages) |
| 8 | Allowances and subsidies | Severely Affected DPs | 8.1 DPs being relocated through Government planning 8.2 DPs self-relocating and self-reorganizing on remaining lands - Transport allowance: 1,000,000 VND x household - Transition allowance: cash corresponding to 30 Kg. of rice x person x 6 months. - Award of 5,000,000 VND for relocating DPs if clearing of construction is done in a timely fashion |
| 8 | Allowances and subsidies | Severely Affected DPs | 8.3 DPs affected with 20% or more of their agricultural land holding or relocation including shop or business relocation - Income rehabilitation assistance: 1,100,000 VND (awarded in kind) x household for training programs or other suitable measures, of which the need, type and scale will be determined by the locality and the individual DP |
Annex 2 - Organization Chart of PMU-18