

LAO PEOPLE'S DEMOCRATIC REPUBLIC

PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY



The Poverty Reduction Fund

**COMPENSATION AND RESETTLEMENT POLICY
FRAMEWORK (CRPF)**

FINAL --March 2011

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LIST OF ACRONYMS

CAR Decree	Compensation and Resettlement of People Affected by Development Project
CDD	Community Driven Development
CRPF	Compensation and Resettlement Policy Framework
DESIA	Department of Environmental and Social Impact Assessment
SMS	Detailed Measurement Survey
DRM	Disaster Risk Management
EIA	Environmental Impact Assessment
EGPF	Ethnic Group Policy Framework
ESMF	Environmental and Social Management Framework
FRALA	Framework for Resettlement and Acquisition of Land and Assets
FRC	Feedback and Resolution Committee
FRM	Feedback and Resolution Mechanism
GoL	Government of Lao PDR
HH	Household
IPDP	Indigenous People's Development Plan
JSDF	Japanese Social Development Fund
LARAP	Land Acquisition/Resettlement Action Plan
LA/RR	Land Acquisition or Resettlement Report
M&E	Monitoring and Evaluation
MIS	Management Information System
NGO	Non-Governmental Organization
NTFP	Non Timber Forest Product
O&M	Operations and Maintenance
OP	Operational Policy (of the World Bank)
PAP	Project Affected Person
PDO	Project Development Objective
PMP	Pest Management Plan
PMT	Project Management Team (PRF central office)
POM	Project Operations Manual
PRF	Poverty Reduction Fund
PRFI	PRF Phase I
PRFII	PRF Phase II
RAP	Resettlement Action Plan
TA	Technical Assistance
TT	Task Team (of the World Bank)
UXO	Unexploded Ordinances
WB	World Bank
WREA	Water Resources and Environmental Administration

INTRODUCTION

The Poverty Reduction Fund phase II (PRF II) has been designed and implemented following the community-driven approach developed during the implementation of the first phase of the Poverty Reduction Fund (2003-2011). The Project Development Objective (PDO) is to improve the access to and the utilization of basic infrastructure and services for PRF II targeted poor communities in a sustainable manner through inclusive community and local development processes.

The World Bank (WB) has categorized the PRF II as a ‘*Category B*’ project and out of the ten safeguard policies, four policies are triggered: *Environmental Assessment (OP 4.01)*; *Pest Management (OP 4.09)*; *Indigenous Peoples (OP 4.10)*; and *Involuntary Resettlement (OP 4.12)*. Given the Project’s Community Driven Development (CDD) nature, which is designed and implemented through a participatory planning process and the types of small civil works that will be supported under the project, it is not anticipated that the Project activities will create many major adverse impacts that cannot be managed by communities themselves. However small-scale civil works may require minor land acquisition and/or may create other minor negative impacts on local environment and local people although such impacts would be localized, temporally, and can be mitigated through good planning and construction practices.

To be in line with OP 4.01, OP 4.09, OP 4.10, and OP 4.12 four safeguard instruments have been prepared as a standalone documents:¹

- the Compensation and Resettlement Policy Framework (CRPF),
- the Ethnic Group Policy Framework (EGPF),
- the Environmental and Social Management Framework (ESMF), and
- the simplified Pest Management Plan (PMP).

This document is the Compensation and Resettlement Policy Framework (CRPF). It aims to provide the national, provincial and district government, the PRF team, consultants, village officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively addressing the social issues related to OP 4.12 involuntary resettlement applicable to the Project. The process will be implemented as part of the PRF project cycle and the activities will be fully integrated into the subproject selection, approval, implementation, and monitoring and evaluation process.

The CRPF is developed based on the guidelines and implementation experience from PRF I project and the scope of activities to be carried out under PRF II. The CRPF follows Government of Lao

¹ These safeguards documents have been disclosed (both in English and Lao) at the World Bank InfoShop as well as at PRF offices in Vientiane, provinces, districts, and villages and at the World Bank office in Vientiane. The documents are considered living documents and could be updated in line with the changing situation or scope of the activities. Close consultation with the World Bank and clearance of the revised safeguards documents will be necessary.

PDR (GoL) Decree 192 on compensation and resettlement of people affected by development projects (2005). It is also connected to the EGPF and ESMF. The PRF staff at central and local levels through its Community Development (CD) unit will be responsible for implementation of the CRPF and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank.

The CRPF consists of four main parts: Part I describes Project Activities, and Part II describes Policy and Regulation, and also includes a discussion on lessons learned from PRFI. Part III describes the policy and implementation procedures adopted in the Framework for Resettlement and Acquisition of Land and Assets (FRALA) of PRF I, which will be used to govern potential acquisition of private land or loss of assets that may occur as a result of the project implementation, including activities related to disaster risk management and livelihood development. Finally, Section IV describes the Principles and Procedures to be applied to PRF II. Details are provided in annexes.

SECTION I: PROJECT DESCRIPTION

The Second Phase of the Poverty Reduction Fund builds on PRFI. It will be implemented over a period of five years (2011–2016). It consists of three main components:

Component 1 – Community Development Grants

- Planning for community and local development The koumban planning process would be for a four year period. Villagers would prepare development plans that would be integrated at the koumban level through an inclusive process led by elected village representatives. Koumban plans would be revalidated on an annual basis through a participatory process at the village, koumban and district levels. Keeping in mind the objective of the PRF is to empower communities, due attention will be paid to further strengthening villagers’ participation in sub-project planning, implementation and monitoring. PRF facilitators would play a critical role in this process.
- Community sub-projects: Sub-projects would be financed and implemented on an annual basis. This component would also support community training activities directly associated with sub-project investments. Sub-projects would be selected for financing at the koumban level by the PRF koumban committee (consisting of elected villagers including women and ethnic groups). PRF district staff, district local government and sector officials would provide technical validation of proposals. The final decision for sub-project financing would be made in a transparent manner at the koumban level by the PRF koumban committee based on criteria to be specified in the Project Operations Manual (POM). PRF II sub-projects would be required to meet appropriate technical standards for infrastructure agreed upon with relevant sector ministries. Activities to be financed under the grants would be open except for items specifically excluded through the project's negative list. The sub-grant ceiling for PRFI and PRFI Additional Finance was 35,000USD and a similar ceiling is expected for PRFII.
- Mainstreaming of Disaster Risk Management (DRM, “Cool CDD”): PRF II would play a stronger role in DRM at the *koumban* and village levels. These activities would include (i) strengthening existing PRF-financed infrastructure at risk of natural disasters, (ii) factoring resilience into the design of new PRF sub-projects in high risk areas, (iii) assisting communities to identify disaster risks, and (iv) allowing for the flexible utilization of PRF II grants to assist community recovery efforts in case of natural disasters in PRF II target *koumbans*.
- Mainstreaming of Gender issues: Women and men’s different needs, constraints and opportunities would be further mainstreamed into PRF II and the project would develop a Gender Action Plan.

Component 2: Local & Community Development Capacity-Building

- Village & Koumban level: This component will support the PRF objective of empowering communities by training them in assessing their own needs, discussing these with local authorities, implementing and supervising the construction of small public infrastructure investments, procurement, financial management, operations and maintenance (O&M), and lastly monitoring outputs and outcomes at the community and koumban levels.
- District & Provincial level: The component would finance investments to strengthen the capacity of district and provincial officials to support pro-poor local and community development processes, including financing of training on community and local development planning, financial management, and procurement.
- Central level: The component would also finance strengthening of the Leading Committee to support national poverty targeting efforts, and to strengthen coordination of PRF II investments with

those of various sector ministries and other entities supporting rural development in PRF II target koumbans.

Component 3: Project Management and Implementation Support

- This component would finance the costs of implementing, monitoring, evaluating and reporting for PRF II. It would include salaries and fees of national, provincial and district PRF staff; associated equipment and operating costs; Management Information System (MIS), key studies and evaluations, accounting, procurement assessments, legal services, auditing, and other specialized areas. Critical technical assistance and implementation support would also be financed under this component.

Support for improved livelihoods

In addition to the core project, PRF II would support livelihoods improvement activities on a pilot basis through a grant (US\$2.6 million) financed by the Japanese Social Development Fund (JSDF). This would be implemented in a select number of communities, in Huaphan and Savannakhet, with a view to testing models for effective and sustainable rural livelihood improvements for poor communities. Specifically, the pilot would support:

- Formation of community self-help groups & capacity building of local service providers: This component will focus on forming self-help groups, with a focus on women's self-help groups, in ethnic communities and building these groups' capacity to articulate their own needs and to successfully implement sustainable livelihood activities. The component will also train new college graduates to serve as community facilitators, build the capacity and responsiveness of local service providers and link available technical assistance with community needs.
- Community asset creation: This component will provide grants (average of \$2,000 each) to eligible village self-help groups through a competitive and participatory selection process, and support the planning, implementation and sustainability of livelihood activities. Activities under this component will focus on empowering participants with technical assistance, promote sustainability by building financial literacy, establishing links to markets and promote pro-nutrition livelihood activities.
- Participatory pro-nutrition assessment & activities: Progressive reduction of poverty rates and increased household incomes in Lao PDR have not led to significant improvements in malnutrition over the past 15 years. This component will thus seek to ensure that livelihood sub-grants, supported by the Project, to self-help groups have a positive impact on community nutrition. Participatory pro-nutrition assessment and activities will be introduced in targeted areas of the pilot to allow evaluation of the effects of linking community-based livelihood improvements with pro-nutrition activities.
- Monitoring and impact evaluation of pilot activities: This component will evaluate pilot impacts as well as efficacy of implementation and monitoring mechanisms, with lessons intended to inform the planned expansion of the Poverty Reduction Fund.

The Poverty Reduction Fund is community driven and rests on a participatory planning process, which is an integral part of the Fund's activities. The PRFI planning process will be updated in the Operations Manual to fit with the new 4-year planning cycle (as opposed to the annual planning process which was used during PRF I).

SECTION II: POLICY, REGULATIONS AND LESSONS LEARNED FROM PRF I

World Bank Policy on Involuntary Resettlement (OP 4.12)

The WB's *Operational Policy 4.12: Involuntary Resettlement* is triggered for this project. The policy describe objectives and guidelines to be followed in situations involving involuntary taking of land and restrictions of access to legally designated parks and protected areas as a result of land and forest use planning and demarcation and when indigenous peoples or ethnic minorities are involved. The OP 4.12 aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts. It promotes participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement. The policy describes compensation and other resettlement measures to achieve its objectives and requires that borrowers prepare adequate resettlement planning instruments prior to Bank appraisal of proposed projects.

For land acquisition and restriction of access to resources, the policies require close consultation of the affected population and appropriate mitigation of the potential negative impacts given special attention to ethnic, gender, and other vulnerable group issues. The policies also specify the need for monitoring and evaluation and ensuring adequate budget and capacity of the agencies.

Government's Policy, Regulations, and Guidelines

In Lao PDR, 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)², (c) Road Law (1999). (d) Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (No.192/PM, dated 7 July 2005), and (e) 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) (CAR Decree). Technical Guidelines of the CAR Decree has been finalized recently and training is being provided to key agencies and provinces. Approval of a new decree on Environmental Impact Assessment (EIA) in early 2010 will provide a strong legal basis for development projects to conduct social assessment and plan/implement mitigation measures as needed. A Public Involvement Guideline expected to be approved by the Minister, WREA by the end of July, 2010 also provides legal basis for people affected by development projects and concerned stakeholders to participate in project development and monitoring.

The Water Resources and Environmental Administration (WREA) through its Department of Environmental and Social Impact Assessment (DESIA) is responsible for ensuring effective implementation of the CAR Decree and EIA Decree in close consultation with other line agencies and the provinces.

² The Land Law 04/NA of 21 October 2003 supersedes the earlier Law 01/NA 12 April 1997.

Key Differences in Government's Regulations and World Bank Policies

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, definition of severely affected PAPs varies between World Bank (OP 4.12) at 10% and the decree 192/PM (Article 8) at 20% of income generating assets affected. The PRF will apply the percentage of 10% set up by World Bank policy (OP 4.12) for the definition of severely affected PAPs.

Another difference is that, both the compensation and resettlement decree (192/PM) and WB policies entitle non-titled PAPs to compensation for affected assets at replacement cost and other assistance so that they are not made worse off due to the development project. Decree 192/PM goes beyond WB's policy and provides 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, compensation for loss of land-use rights at 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 replacement land at no cost to the PAPs, or cash sufficient to purchase replacement land of the same value and productivity.

Lessons Learned from PRFI

Lessons learned from PRF I related to compensation and resettlement include:

- Review of types and sizes of the infrastructure subprojects implemented under Cycle 1-8 (see Table 1 below for details) and field supervision missions suggest that most of the civil works are small, and only involve minor relocation of 3 houses for the road construction, and minor land acquisition (<5% of the total land area). These cases have been successfully addressed through the participatory planning and consultation process, in addition to voluntary donation processes which will be described in detail in the next section.
- Potential benefits versus negative impacts on land or households livelihoods and assets related to infrastructures construction has to be discussed and agreed within the communities. In all cases, it was found that benefits brought by the infrastructure construction had largely benefits to affected persons to improve or at least restore their incomes and standards of living.
- Consultation with the local authorities is a major step to ensure long term benefit of the infrastructures implemented by the PRF (for instance to ensure that there is no land concession given to the private sector or other major projects that could affect the benefit of the infrastructures built).
- The Framework for Resettlement and Acquisition of Land and Assets (FRALA), which was developed under the PRF I in order to address the issue of voluntary land donation and which will be described in detail in the next section, needs strengthening. While it adequately addressed the ten (10) cases of minor land acquisition that occurred under the PRF I³, there

³ Only one of the 23 complaints received under the PRF I was related to land acquisition. All complaints received, including the one related to land acquisition has been resolved.

are also needs to (a) improve the reporting and recording system, especially in the area of how the voluntary donation processes were managed and agreements reached, (b) strengthen coordination among PRF teams (TA Unit, CD, and M&E Unit); and (c) reduce indirect social impacts associated with infrastructure development through increasing awareness and knowledge on UXO, primary health care, hygiene and sanitation, potential increase in drug and human trafficking, HIV/Aids. Also, training and support to local PRF staff are required for monitoring and reporting on safeguard compliance and issues.

Table 1. The subprojects during Cycle 1-8 (2003-2011)

Community Infrastructure	Max size	Number of sub-projects	Total land area
Schools	5 classrooms (280 m ²)	610	0.17 km ²
Roads (km)	Width 3.5 m	480 (3,840 km)	13.44 km ²
Markets	81 m ²	14	0.001 km ²
Dispensaries	99 m ²	65	0.01 km ²
Water reservoirs	7,850 m ²	60	0.47 km ²
Water system	400 m ²	676	0.27 km ²
Irrigation channels weir /renovated	200 m ²	151	0.03 km ²
TOTAL		2,060	14.39 km²

SECTION III: THE FRAMEWORK FOR RESETTLEMENT AND ACQUISITION OF LAND OR ASSETS (FRALA)

As mentioned above, the Framework for Resettlement and Acquisition of Land and Assets (FRALA) has been developed and applied to PRF I, in order to address the issue of voluntary land donation under the project. This is because it was found to be difficult during project implementation for many subprojects to completely eliminate the need for acquisition. FRALA developed in the Project refers solely to PRF activities, and not other Bank financed projects.

FRALA defines the terms and provides guidance for voluntary acquisition of land or other assets (including restrictions on asset use) caused by subproject implementation either through contribution or with compensation by communities and establishes principles and procedures to be followed to ensure equitable treatment for, and rehabilitation of, any person adversely affected by subproject implementation. FRALA thus allows for acquiring assets through the following two methods:

1. ***Voluntary Contributions:*** *Community members have the right to make a contribution of their land or other assets, or to move their homes temporarily or permanently, without seeking or being given compensation.* This can often be justified because the subproject 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 Facilitators 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. 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 size of land contributed on a voluntary basis should not exceed 5% of that individual's total land holding).
2. ***Voluntary Contributions with compensation:*** *Persons who contribute their land or other assets have the right to seek and receive compensation (the subproject grant cannot be used to pay compensation).* In such cases, District Coordinators will ensure that the following means of compensation, as applicable, are agreed upon and provided before works are undertaken:
 - Replacement of land with an equally productive plot or other equivalent productive assets;
 - Materials and assistance to replace fully solid structures that will be demolished;
 - Replacement of damaged crops, at market value;
 - Other acceptable in-kind compensation.

The guiding principles of FRALA are as follows:

- Acquisition of land and other assets should be avoided when feasible and otherwise minimized;
- If any persons are to be adversely affected, mitigation measures must provide them with sufficient opportunities to improve, or at least restore, incomes and living standards;
- Lost assets should be replaced in kind, or compensated at replacement cost;
- Compensation should be paid in full, net of taxes, fees or any other deductions for any purpose;
- If any persons are required to relocate, transfer costs and subsistence allowances will be paid in addition to compensation at replacement cost for lost structures and other assets.
- Absence of legal title to land or other affected assets will not be a barrier to compensation or other suitable forms of assistance;
- Adversely affected persons will be provided information relating to impacts and entitlements, will be consulted as to their preferences regarding implementation arrangements, and will be informed regarding methods and procedures for pursuing grievances.

Procedures for Voluntary Contributions and Contributions with Compensation under FRALA

The objective of these guidelines is to ensure that the acquisition of land is minimized and does not result in persons losing their home or suffering any decline in income, livelihood, or living standards as a result of the subproject implementation.

Principles of the Procedures

- Land acquisition will be kept to an absolute minimum and *NO* person will be displaced without prior consent under the Program.
- The Program will 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.
- Some land acquisition or relocation may occur in the implementation of subprojects, but only on a voluntary basis or with compensation (possibly in-kind) provided by the community.
- Subproject proposals that would require the demolition of houses or the acquisition of productive land, permanently or temporary, must be carefully reviewed by District Coordinators and approved by the Provincial PRF Office. The review process should confirm that no other satisfactory alternative is available, that affected persons have been informed about their rights to compensation and ensure that they have agreed with the arrangements.
- A description of the land acquisition/resettlement impact must be included in the subproject proposal.
- Subprojects with more than 100 persons affected, or more than 10% of an individual's holdings is affected, or for subprojects with households or structures being resettled or moved will require preparation of a Land Acquisition or Resettlement Report (LA/RR) which needs to be reviewed and approved at the national level.

Consultation Principles

The village must ensure that all the people affected by the subproject are consulted at a public meeting in the village. During this meeting, which should happen during the subproject design phase, their right to compensation must be explained, as well as such alternatives as found in the technical guidelines of the Decree 192, 2005. Formal minutes of the meeting are required and will include the main points of discussion as well as any decisions reached, including:

- For voluntary contributions, the name of the affected person (if possible both husband and wife) and details of the contribution;
- For compensated assets, the names of the persons (if possible both husband and wife) receiving compensation, and details of the type and amount of compensation; and
- The minutes will contain the signatures of the affected persons and the village chief. There will be notes about complaints made by the affected persons. Also, a map will show the location of the affected assets.
- The koumban facilitator will deliver a copy of the above notes to all those people who are affected by the subproject, to determine directly their wishes in regards to compensation, their perception of whatever agreements had been reached, and their complaints (if any).
- As the process of determining compensation is the responsibility of the village, wherein the facilitator has no decision-making power, the koumban facilitator is bound to do the following:
 - He or she must inform the District PRF team (that will be responsible to report to the PRF at the National level) to delay final approval until all persons affected by the subproject are satisfied with the compensation they are to receive, even if this causes a stalemate, the changing of design, or lengthy negotiations. Outsiders must not intervene to impose a solution.
 - He or she must inform the District PRF team (that will be responsible to report to the PRF at the National level) to delay implementation until compensation is realized. The implementation state of subproject can only commence after compensation has been successfully delivered.

Land Acquisition or Resettlement Report (LA/RR)

A Land Acquisition or Resettlement Report will be required where subprojects affect more than 100 people, or if more than 10% of an individual holding is affected, or for subprojects for which households or structures are moved. District Coordinators will support the villagers in preparing the Report and provincial staff will provide input as needed. The Community Development Officers at the provincial office must first review the Report and then forward it to the national PRF office for approval. No subproject requiring a Land Acquisition or Resettlement Report will be submitted to the District Decision Meeting unless the national PRF office has approved it. The Land Acquisition or Resettlement Report developed for PRFI will be updated by the national PRF office for PRFII. The content and style of Land Acquisition Report or Resettlement Report will follow the section V of this CRPF as well as the provisions under the Bank's OP 4.12.

Right to complain and take legal action

All complaints should be handled and solved at the village level. If the problem cannot be solved in the village, complaints and legal action against these guidelines, the implementation of agreements found in the minutes, or other grievances can be filed according to the procedures summarized in this section and detailed in the Project Operational Manual dealing with the Feedback and Resolution Mechanism.

Verification

PRF will keep all documents in district offices. At any time, all records regarding compensation, including minutes of the meeting and proof of receiving compensation must be available for inspection by the District Coordinator, Provincial consultants, auditors, and persons assigned to monitor aspects of the subproject by the subproject Secretariat, and the World Bank Task Team (TT). The Village Minutes and evidence of compensation having been made shall be provided to the koumban facilitator assisting the village, to supervising engineers, auditors and socio-economic monitors when they undertake reviews under the subproject.

SECTION IV: PRINCIPLES AND PROCEDURES TO BE APPLIED TO PRF II

Basic principles

Given the nature of CDD type subproject, it is expected that the civil works to be carried out under PRF II would be similar to that of PRF I and that the nature of negative impacts will also be similar in nature. Land acquisition is expected to be minimal in scale. In this context the PRFI FRALA process will be updated and applied to PRF II, especially to Component 1 subprojects. Additional policies and guidelines for involuntary land acquisition however are provided to ensure that the CRPF will also cover the activities to be carried out in response to disaster risk management and livelihood development activities. A social screening will be conducted to identify the level of potential impacts and appropriate mitigation measures. A “negative list” has been developed and will be applied so no significant impact will occur that cannot be managed by communities themselves. The following subsections summarize key measures to be undertaken by PRF staff to facilitate effective implementation of safeguard activities of PRF II.

The Prohibited Activities

To avoid adverse impacts on local community, especially the ethnic peoples and disadvantages groups, a “negative list” was developed for PRFI. The principles underlying this list will also apply to PR. The principles include:

- No new settlement or expansion of existing settlements will be supported in critical habitats, protected areas or areas proposed for protection. Where settlements already exist, proposals for funding should be in compliance with any local regulations on land management and other provisions of the protected area management plan. No road construction or rehabilitation of any kind will be allowed inside critical habitats and existing or proposed protected areas.
- The IDA fund will not fund the cost associated with the physical relocation of households or businesses, acquisition of land or loss of private assets under any conditions, whether or not such acquisition or loss is handled under voluntary donation or against compensation. Only the villagers' own fund will be used to finance any costs associated with such displacements, including in case when affected households request cash compensation.
- The Project will not support programs involving village consolidation and/or resettlement that are not consistent with World Bank policies; PRF investment or

subproject cannot be used as an incentive and/or a tool to support and/or implement involuntary resettlement of local people.

- Any activity unacceptable to vulnerable ethnic groups in a village of mixed ethnic composition cannot be funded without prior review. Activities that will have significant adverse impacts on vulnerable ethnic groups in villages and in neighboring villages cannot be funded. The Ethnic Group Policy Framework has been developed to address ethnic group issues.

Specifically, the negative list for PRFII includes:

- (i) Use of PRF investment or subproject as an incentive and/or a tool to support and/or implement involuntary resettlement of local people. The Project will not support programs involving village consolidation and/or resettlement that are not consistent with World Bank policies.
- (ii) Land acquisition that affect more than 200 persons or 20 households.
- (iii) New settlements or expansion of existing settlements inside “Total Protected Zone” as defined in a government decree (see ESMF).
- (iv) Likely creation of adverse impacts on ethnic groups within the village and/or in neighboring villages or unacceptable to ethnic groups living in a ethnic homogenous village or a village of mixed ethnic composition.
- (v) Imposing ideas and changing priorities identified by the community and endorsed at the kouban level meeting without community consultation, prior review and clearance from the PMT.
- (vi) Damage or loss to cultural property, including sites having archeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
- (vii) Resources access restriction that could not be mitigated and will result in adverse impacts on the livelihoods of ethnic groups and disadvantaged peoples.
- (viii) New roads, road rehabilitation, road-surfacing, or track upgrading of any kind inside natural habitats and existing or proposed protected areas.
- (ix) Purchase of guns; chain saws; asbestos, dynamites, destructive hunting and fishing gears and other investments detrimental to the environment.
- (x) Purchase pesticides, insecticides, herbicides and other dangerous chemicals exceeding the amount required to treat efficiently the infected area. However, if pest invasion occurs, small amount of eligible and registered pesticides in Lao PDR is allowed if accompanied with a training of farmers to ensure its safe uses and World Bank’s clearance is needed, following the procedures specified in the Pest Management Plan
- (xi) Forestry operations, including logging, harvesting or processing of timber and non-timber forest products (NTFP); However support to sustainable harvesting and processing of NTFPs are allowed if accompanied with a management plan for the sustainable use of the resources.
- (xii) Unsustainable exploitation of natural resources.
- (xiii) Introduction of non-native species, unless these are already present in the vicinity or known from similar settings to be non-invasive.
- (xiv) Significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.
- (xv) Production or trade in any product or activity deemed illegal under Lao PDR laws or regulations or international conventions and agreements, or subject to international bans

- (xvi) Labor and working conditions involving harmful, exploitative, involuntary or compulsory forms of labor, forced labor⁴, child labor⁵ or significant occupational health and safety issues.
- (xvii) Trade in any products with businesses engaged in exploitative environmental or social behavior.
- (xviii) Subprojects that require full EIA.

SECTION V: POLICY FRAMEWORK FOR INVOLUNTARY LAND ACQUISITION AND COMPENSATION

Land donations will be conducted according to the principles and procedure described in the PRFII FRALA. This FRALA has been updated to take into account the lessons learned from PRFI.

Social screening

Experience from implementation of PRF I confirmed that the resettlement or demolition of any permanent homes or business as well as the impacts on cultural habitats have not been necessary and the negative impacts due to land acquisition is generally minor and can be adequately deal with through voluntary donation. Minor land acquisition can be meaningfully managed by community members themselves, with active support from PRF staff who will visit beneficiary communities to develop their capacity to manage their infrastructure and livelihood activities throughout the project implementation. The potential adverse impacts could be avoided during the planning stage through close consultation with local people in most of the PRF subprojects. To ensure this, all activities/subprojects involving land acquisition, compensation, voluntary donation, and restriction of resource access will require the social screening and record to be kept in the project file from district to central level for possible review by the World Bank.

Compensation and Entitlements

Eligibility: All Project Affected Persons (PAPs) who are identified in the project-impacted areas will be entitled to compensation for their affected assets, and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels.

Entitlements: Based on the types of impacts, category of PAPs, and their entitlements, PRF II will assist the community in preparing specific entitlements following the entitlement matrix (*Annex 3*) as appropriate. In case they prefer their loss of land or other assets to be compensated for rather

⁴ Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

⁵ Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

than they donate them for the implementation of relevant subprojects, different categories of PAPs are, for each type of impact, entitled for specific compensation and/ or rehabilitation measures that are sufficient to restore their pre-project level of livelihood, as detailed in the Annex 3.

Vulnerability, Gender, and Ethnicity

PRF II recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels and has incorporated these concerns into the preparation and implementation of project activities through an adoption of participatory planning and decision making process. Women in the rural villages play a key role in household economy and community livelihood development. They will be empowered to become active members in community activities and projects and other collective endeavors in support of project implementation and monitoring. The project will identify any specific needs or concerns that need to be considered for the indigenous peoples groups and other vulnerable groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support. A Gender Action Plan will be prepared for the Project.

During implementation, the Project will give special attention to women and female households as beneficiaries of the project interventions. Equal participation of women in the whole cycle of the project activities will be provided to increase likelihood of project sustainability. Active participation of women and ethnic groups will be ensured during the development of appropriate measures to be responsive to specific needs or concerns of these groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support.

Implementation Process

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

- for any voluntary contribution (not requiring compensation): name of contributor(s) and details about the contribution;
- for land/asset acquisition against compensation: names of affected persons, impacts and details about the nature and level of compensation.

The Project staff shall provide a copy of the minutes to affected persons and confirm in private discussion with each of them their requests and preferences for compensation, agreements reached, and any eventual complaint. Copies will be kept in the project documentation and be available for monitoring and supervision.

Where compensation is to be provided, PRF staff will ensure that the following, as applicable, are agreed to before works are undertaken:

- replacement of land with an equally productive plot or other equivalent productive assets;
- materials and assistance to replace fully solid structures that will be demolished;
- replacement of damaged crops, at market value; and
- other acceptable in-kind compensation.

Where affected households select to donate their land or productive assets for the implementation of subprojects, procedures described in the section III will apply.

Preparation of a Land Acquisition or Resettlement Report

For the activities or sub-grants with significant land acquisition (affecting more than 100 persons or more than 10% of the holdings of project affected persons), Abbreviated Land Acquisition Report will be required. If sub-grants require voluntary movement or resettlement of any households or businesses, Abbreviated Resettlement Report will be required. The abbreviated Land Acquisition/Resettlement Report are so called in Lao PDR, but synonymous, in terms of content and style, with the Abbreviated Resettlement Action Plan as provided in the Bank's Operational Policy 4.12.

The reports should address the following elements, as relevant:

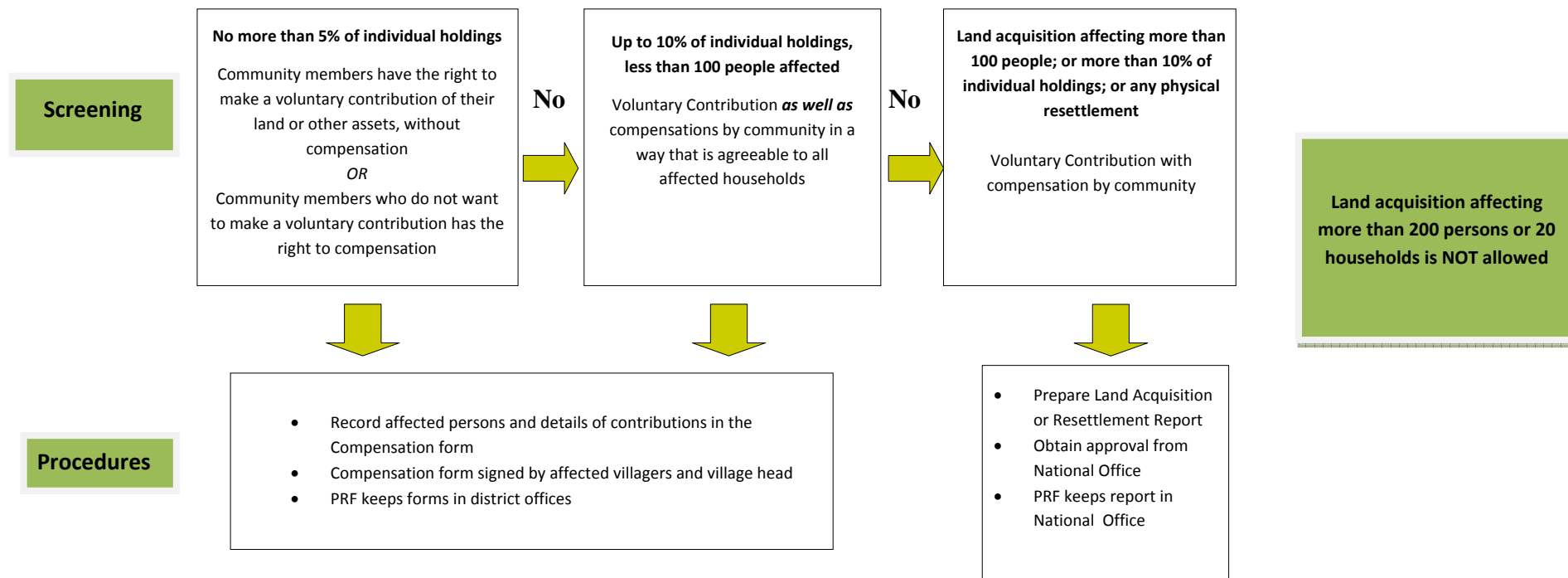
- basic data that describe impacts and persons affected;
- arrangements for in-kind replacement of land or for compensation at replacement cost, including signed statements by all affected landowners confirming that these arrangements are satisfactory;
- Short summary of the existing legal framework and policies and principles that will apply to the implementation of relevant subprojects with regard to the management of social impacts;
- arrangements to ensure adequate performance by contractors relating to compensation for temporary impacts;
- 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;
- an implementation schedule indicating that replacement land will have been provided before implementation of the project begins;
- Field measurements validated by villagers, showing land to be acquired and replacement land to be provided, sufficiently detailed to allow verification;
- Any support that is considered to be necessary to support the poor and vulnerable population;
- Arrangements for disclosure of information, consultations, and procedures for pursuing grievances; and
- Arrangements for implementation monitoring by the PRF staff

The Project staff will assist the villagers in preparing the required reports, which will be reviewed by the PRF central office. No activities requiring a Land Acquisition or Resettlement Report will be approved unless the report also has been approved by the Provincial Steering Committee and the World Bank. Thus, the activities that would require demolition of houses or acquire productive land, permanently or temporary will be carefully reviewed by Project staff. The review process will confirm

that no other satisfactory alternative is available, that affected persons have been informed about their rights to compensation and assures that they have agreed with the arrangements.

-

SUMMARY of Framework for Resettlement or Acquisition of Land Assets



Preparation of a Land Acquisition / Resettlement Report required:

- For the activities or sub-grants with significant land acquisition (affecting more than 100 persons or more than 10% of the holdings of project affected persons)
- For sub-grants requiring voluntary movement or resettlement of households or household structures

Policy framework for Livelihood and Wellbeing Improving Activities

This component (supported by JSDF funds) will promote the development of activities that promote improved livelihoods and well-being. It will include concrete assistance, especially for women, to organize and act collectively for community driven development. The livelihood component will use the Participatory Assessment, Analysis and Action to help communities understand and assess their problems related to livelihoods and well-being, and solutions to set prioritized interventions.

Investment that could be made with livelihood sub-grants could include for example, purchase agricultural inputs such as seeds and equipment needed for collective agricultural production. Sub-grants could also support production of handicrafts. As income generating activities livelihood activities may shift villagers' attention away from subsistence production, the livelihood pilot activities will have a strong focus on nutrition to address risks associated with food security.

The activities to be piloted under the livelihood component would be subject to screening against a negative list of ineligible activities, including activities that may cause adverse environmental or social impact such as land acquisition or restricted access to resources, conversion of natural habitat or forests for agricultural purposes, or use of pesticides.

Livelihood activities will explicitly promote active engagement of ethnic group communities, with specific facilitation and monitoring arrangement provided to ensure that they can benefit in a culturally appropriate manner. Criteria for livelihood self-help group composition will be established to ensure the inclusion of marginalized and poor members of the community, and the fair and transparent distribution of livelihoods benefits. Because the potential for minor adverse impacts cannot be completely eliminated, safeguards-related policy provisions in the existing PRF operations manual will be adopted or adapted as necessary during the course of the preparation of JSDF-supported livelihood activities.

Feedback and Resolution Mechanism (FRM)

Article 13 of the GoL decree 192/PM requires an investment project to establish an effective mechanism for grievance resolution. Specific requirements for this mechanism are further described in Part VI of the Decree's Implementing Regulations, and in detail in the Technical Guidelines.

The objective of the Feedback and Resolution Mechanism is to ensure that the PRF has in place a system to receive feedback from citizens, assuring that the voices are heard from the poor and vulnerable, and the issues are resolved effectively and expeditiously. Such a system is expected to enable the PRF to be fully responsive to its beneficiary community and empower the ethnic groups and poor in villages who are the principal target of the Program.

GoL decree 192/PM determines that the prime responsibility for grievance resolution is the project proponent. As they are responsible for carrying out Project works, which are likely the source of grievances they are best placed to respond to and resolve grievances in the most timely and acceptable method. However, should PAPs remain dissatisfied, they may bring up their complaints through other avenues as described below.

The project has set up the Feedback and Resolution Committee (FRC) at the village, kum banh, district and provincial levels, composed of concerned departments, local officials, and village chiefs. PAP representatives, women representatives, mass organizations will also act as grievance officers.

All feedback will be properly documented by the FRC at the respective level and addressed through consultations in a transparent manner aimed at resolving matters through consensus. *Table 2* shows the project grievance redress procedure for PRF II project. More details of the mechanism can be found in the FRC guideline.

The complaint, as a last resort, will be lodged with the Provincial Court of Law and whose decision would be final. Although the technical guidelines for resettlement designate this elevating of the complaint to the local mass organizations, non-benefit organizations and complainant representatives, in order to ensure the availability of adequate resources to carry out this procedure, the PMT will be responsible for forwarding the complaint and ensuring its process in the courts.

In addition to the feedback and resolution mechanism described above, complainants may also (or permit representatives on their behalf) voice their concern or complaints with the PRF team at the central level (PMT) or use the hot line of the National Assembly if complainants are still not satisfied with the resolution of their complaints at the project and provincial level.

All legal and administrative costs incurred by complainants and their representatives at the FRC are to be covered by the project proponent.

Table 2 Feedback and Resolution Mechanism for PRF II

Procedures	Feedback Channel	Response Time	Responsible Unit/Institution	Means of Verification/Documentation
Step 1 – Village Level	<p>Village FRC members and PRF staff</p> <p>Public place accessible to informant/complainant/ beneficiaries or PAPs (feedback box at the PRF information board)</p> <p>Toll free hot line</p> <p>Regular PRF meeting at the village level during the project cycle preparation and implementation</p>	<p>Resolution within 1-3 weeks.</p> <p>Feedback box open every 2 weeks. Response within 1-3 weeks.</p> <p>Informant/complainant/ beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day.</p> <p>Response within 1 week.</p> <p>Informant/complainant/ beneficiaries or PAPs regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week.</p> <p>Informant/complainant/ beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p>	<p>FRC at the village level (neo Hom and village head).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the FRC.</p> <p>Monthly submission of the Feedback and Resolution Report to the Koumban FRC with all relevant information and progress</p>
Step 2 – Koumban Level	<p>FRC at the koumban level (koumban facilitators and members of the koumban committee).</p> <p>Public place accessible to informant/complainant/ beneficiaries or PAPs (feedback</p>	<p>Resolution within 1-3 weeks.</p> <p>Feedback box open every 2 weeks. Response within 1-3 weeks.</p> <p>Informant/complainant/ beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along</p>	<p>FRC at the koumban level (koumban facilitators and members of the koumban committee).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the FRC.</p> <p>Monthly submission of the Feedback and Resolution Report to the District FRC with all relevant information and progress</p>

	<p>box at the PRF information board)</p> <p>Toll free hot line</p> <p>Regular PRF meeting at the koumban level during the project cycle preparation and implementation</p>	<p>PRF cycle.</p> <p>Hot line accessible 24 hours a day. Response within 1 week.</p> <p>Informant/complainant/ beneficiaries or PAPs regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week.</p> <p>Informant/complainant/ beneficiaries or PAPs regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p>		
Step 3-District Level	<p>PRF Office (feedback box at the PRF information board)</p> <p>Toll free hot line</p> <p>Regular PRF meeting at the district level during the project cycle preparation and implementation</p> <p>Dedicated E-mail and website</p>	<p>Feedback box open every 2 weeks. Response within 1-3 weeks.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day. Response within 1 week.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Dedicated E-mail website: 1 day to 1 week.</p>	<p>FRC at the District level (PRF Coordinator).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the district FRC.</p> <p>Monthly submission of the Feedback and Resolution Report to the FRC at the provincial level with all relevant information and progress</p>

		Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.		
Step 4 – Provincial Level	<p>PRF Office (feedback box at the PRF information board)</p> <p>Toll free hot line</p> <p>Regular PRF meeting at the provincial level during the project cycle preparation and implementation</p> <p>Dedicated E-mail and website</p>	<p>Feedback box open every 2 weeks. Response within 1-3 weeks.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Hot line accessible 24 hours a day. Response within 1 week.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting. Response within 1 day to 1 week.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Dedicated E-mail website: 1 day to 1 week.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p>	<p>FRC at the Provincial level (PRF Coordinator).</p> <p>Upper level if the case cannot be solved at this level</p>	<p>Written Feedback and Resolution form, through the provincial FRC.</p> <p>Monthly submission of the Feedback and Resolution Report to the PMT (M&E Unit) with all relevant information and progress</p>
Step 5 – National Level	<p>Toll free hot line</p> <p>Regular PRF meeting at the National level during the project cycle preparation and implementation</p> <p>Dedicated E-mail</p>	<p>Hot line accessible 24 hours a day. Response within 1 week.</p> <p>Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p> <p>Regular PRF Meeting.</p>	<p>M&E Unit at the PRF Central level</p>	<p>Written Feedback and Resolution form, through the M&E Unit at the central level.</p> <p>Feedback Quarterly submission of the Feedback and Resolution Report</p>

	and website	<p>Response within 1 day to 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle.</p> <p>Dedicated E-mail website: 1 day to 1 week. Informant/complainant/ beneficiaries regularly updated on the progress of their feedback on a monthly basis.</p>		to the PMT (M&E Unit) with all relevant information and progress
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Monitoring and Information Disclosure

Internal monitoring: Implementation of the CRPF will be regularly supervised and monitored by the PRF central officer responsible for implementation of the investment activities that involve land acquisition and/or resources access restriction. The findings and recommendations will be recorded in the project file for possible review by the World Bank. The PRF central officer will supervise and monitor the process at least one time per year and include the results in the Project annual reports and to be furnished to the World Bank. The PRF central staff in close consultation with local government and PAPs will establish a set of practical monitoring indicators in line with the technical guidelines (*Annex 1*).

PRF staff at central office and local office is responsible for forging effective implementation of CRPF in close consultation with concerned agencies and local authorities. PRF central office will develop details in the Project Operation Manual and provide training on the safeguard policy and process to local PRF staff and koumban facilitators. PRF local staff will work closely with local authorities and communities on details and keep proper record for review by PRF central and the Bank. PRF central office is responsible for periodic monitoring and report the safeguard implementation process in the project progress report.

External monitoring: Investment activities with a full LA/RR will be subjected to external monitoring by appropriate agency and/or an independent qualified consultant. The external monitoring agency or consultant should be hired under terms of reference that specify frequency of monitoring, sampling and interviewing methods, and reporting requirements. Monitoring reports will be maintained by the PMT and made available to the World Bank’s supervision team.

Information disclosure: Public Consultation and Information Disclosure (OP. 17.50) defines the Bank’s requirements for giving the public access to project information and documentation. It requires that during the planning and preparatory process, project beneficiaries and affected groups and local NGOs shall be consulted and the environment and social aspects of the project should be presented. The consultation should be an on-going process throughout the design and implementation of investments

and must be compliant with all other applicable safeguard policies. The policy also requires that any relevant material such as the environmental assessment study, social assessments, resettlement action plan (RAP), etc. should be made accessible, in a timely manner and in a form language understandable to the groups being consulted. In line with this policy, safeguard information related to mitigation measures carried out under PRF II will be made available for public access in PRF website and on the PRF information board at the community level.

Annex 1a. Social Screening Checklist Form

Proposed Activity:

Brief Description:

.....

Location:

Filled out by:

Organization:

Date:

Attachments:

Prepared with the following Partner Organizations / Community Representatives:

Remarks:

General Instructions:

- This checklist is to be completed to support the verification of the project activity or subproject that involves land acquisition, compensation, and/or restriction of resources access. It focuses on social issues to ensure that social dimensions are adequately considered during selection of the activities/subprojects. If applicable please use the “remarks” section to discuss any suggested mitigation measures. The information should be collected in consultation and coordination with local government, communities, NGOs and leaders of affected community.*

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
A. PROJECT SITING			
ARE THERE ANY OF THE FOLLOWING STRUCTURES OR RESOURCES IN THE SUB-PROJECT CONSTRUCTION AREA?			
• <u>Private households</u>	<input type="checkbox"/>	<input type="checkbox"/>	
• <u>Private small businesses/shops</u>	<input type="checkbox"/>	<input type="checkbox"/>	
• <u>Roads, footpaths or other access routes</u>	<input type="checkbox"/>	<input type="checkbox"/>	
• <u>Agricultural land</u>	<input type="checkbox"/>	<input type="checkbox"/>	
• <u>Natural resources shared by community members</u>	<input type="checkbox"/>	<input type="checkbox"/>	
• <u>Cemetery or other area/structures of religious or cultural significance</u>	<input type="checkbox"/>	<input type="checkbox"/>	
• <u>Other:</u>	<input type="checkbox"/>	<input type="checkbox"/>	
ADDITIONAL REMARKS/SUGGESTIONS:			
<hr/>			
B. POTENTIAL SOCIAL IMPACTS			
WILL THE SUB-PROJECT CAUSE:			
• Temporary loss of land or resources for any families?	<input type="checkbox"/>	<input type="checkbox"/>	
• Permanent loss of land or resources for any families?	<input type="checkbox"/>	<input type="checkbox"/>	
• Conflicts in water supply rights and related social conflicts?	<input type="checkbox"/>	<input type="checkbox"/>	
• Impediments to movements of people and animals?	<input type="checkbox"/>	<input type="checkbox"/>	
• Dislocation or involuntary resettlement of people?	<input type="checkbox"/>	<input type="checkbox"/>	
• Potential social conflicts arising from land	<input type="checkbox"/>	<input type="checkbox"/>	

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
tenure and land use issues?			
• Deterioration of livelihoods or living conditions of women or the poorest families in the sub-project service area?	<input type="checkbox"/>	<input type="checkbox"/>	
• Other:	<input type="checkbox"/>	<input type="checkbox"/>	

C. OTHER REMARKS:

D. Involuntary Resettlement Category⁶

After reviewing the answers above, the PMT or PMT consultants agree, subject to confirmation, that the project is a:

[] “The affected people are not physically displaced and less than 10% of their productive assets are lost”, an abbreviated Resettlement Action Plan is required

[] The proposed subproject may result in more significant impacts, i.e. displacement of people and more than 10% of their productive assets are lost, then a RAP will be prepared.

[] No anticipated displacement, and loss of assets are negligible

⁶ World Bank OP 4.12, Policy on Involuntary Resettlement

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
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**E. POTENTIAL SOCIAL IMPACTS ON
 VULNERABLE GROUPS, IF ANY:**

WILL THE SUB-PROJECT:

- | | | | |
|--|--------------------------|--------------------------|--|
| • Affect poverty group? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Affect women headed households? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Affect Ethnic Groups or Indigenous People? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Affect other vulnerable groups? | <input type="checkbox"/> | <input type="checkbox"/> | |

F. OTHER REMARKS:

REQUIRED SAFEGUARD DOCUMENTS:

- | | | | |
|--|--------------------------|--------------------------|--|
| • Land Acquisition/Resettlement Action Plan (LARAP)? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Indigenous People’s Dev’t Plan (IPDP)? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Land Titles or Documentation? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Community Declarations? | <input type="checkbox"/> | <input type="checkbox"/> | |
| • Other? | <input type="checkbox"/> | <input type="checkbox"/> | |

G. OTHER REMARKS:

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
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H. CONCLUSIONS/RECOMMENDATIONS:

I. SIGNING OFF:

IMPLEMENTING AGENCY:

**PRF SAFEGUARD
COORDINATOR:**

NAME:

.....

POSITION:.....

DATE:

.....

NAME:

.....

POSITION:.....

DATE:

.....

Annex 2. Definitions of Terms

Definitions of key terms are as follows:

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 that the Decision on the target beneficiaries and on the land acquisition of the project areas is issued by a competent authority and publicly announced to local target-communities and to affected or 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 is compelled by a government agency to alienate all or part of the land a person owns or possesses, to the ownership and possession of the government agency, for public purpose in return for a consideration.

Project Affected Persons (PAPs) - includes any person or entity or organization affected by the investment project, who, on account of the involuntary acquisition of assets in support of the implementation of the investment 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.

Replacement Cost – is the term used to determine the amount sufficient to replace lost assets and cover transaction costs. When domestic laws do not meet the standard of compensation at full replacement cost, compensation under domestic law is supplemented by additional measures necessary to meet the replacement cost standards.

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.

Annex 3 Entitlement Matrix

All Project Affected Persons (PAPs) who are identified in the project-impacted areas prior will be entitled to compensation for their affected assets, and rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income-earning capacity and production levels. Based on the types of impacts, category of PAPs, and their entitlements, PRF II will assist the community in preparing specific entitlements following the entitlement matrix as appropriate.

Table A3. Entitlement Matrix

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
Productive Land (paddy, garden, and Teak Plantation)	Legal owner or occupant identified during consultations	<ul style="list-style-type: none"> • For marginal loss 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), • 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 requested by PAP, cash compensation at replacement cost plus assistance to purchase and register land. 	<ul style="list-style-type: none"> • Minor parts of productive land can be acquired solely under voluntary donation if the share of land to be acquired is less than 5% of total land holding; • If between 5-10%, additional cash compensation, as agreeable to land owners, is needed; • If between 10-20%, a Land Acquisition Report is required in addition • No subproject is allowed if more than 20% of land has to be acquired from an affected household
Residential Land	Legal owner or occupant identified during consultations	<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, OR (ii) cash compensation at replacement cost which is equivalent to the current market value of land of similar type and category, free from transaction costs (taxes, administration fees) plus assistance to purchase and register land. 	<ul style="list-style-type: none"> • Acquisition of residential land requiring physical relocation not allowed without a Resettlement Report

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
<p>Fish Pond</p> <p>(Remaining area is still viable or can still meet expected personal or commercial yield)</p>	<p>Owner of affected fishpond</p>	<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
<p>Totally Affected Houses/Shops, and Secondary Structures (kitchen, rice bins)</p> <p>Partially Affected Houses/Shops but no longer viable</p> <p>(Will require relocation)</p>	<p>Owners of affected houses whether or not land is owned</p>	<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 considered no longer viable if their remaining portion are no longer usable/ habitable.
<p>Temporary Use of Land</p>	<p>Legal owner or occupant</p>	<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 it should not be less than the unrealized income and revenue that could have been generated from using 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 within 1 month after closure of the by-pass route or removal of equipment and materials from 	<ul style="list-style-type: none"> • The PRF will ensure that the (i) location and alignment of the by-pass route to be proposed by the civil works contractors will have the least adverse social impacts; (ii) that the landowner is adequately informed of his/her rights and entitlements as per the investment project resettlement policy; and (iii) that agreement reached between the landowner and the civil works contractor are carried out.

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
		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 informal 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. 	<p>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).</p> <p>The rate will be verified through interviews with informal shop owners to get an estimate of daily net profit.</p> <p>No permanent closure of business or complete loss of if income due to business closure expected</p>
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 and including seedless replacement. • 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	Villagers or village households	<ul style="list-style-type: none"> • Relocation to where affected villagers agree; or • Compensation at replacement cost for present/existing structures based on its present value. 	If some ritual or ceremonial activities have to be conducted prior or during relocation, the cost will be borne by

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
or collective ownerships			the beneficiary communities
Graves located in the affected areas	Owners of graves	<ul style="list-style-type: none"> • Compensation for the removal, excavation, relocation, reburial and other related costs will be paid in cash to each affected family. 	If some ritual or ceremonial activities have to be conducted prior or during relocation, the cost will be borne by the beneficiary communities
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 kilogram (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)	Severely affected vulnerable PAPs such as the poorest, or households headed by women, the elderly, or disabled, and ethnic groups	<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

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