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PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

MINISTRY OF PUBLIC WORKS AND TRANSPORT

DEPARTMENT OF ROADS

National Road 13 North (NR13N) Improvement and Maintenance

From Sikeut, Vientiane Capital to Phonhong, Vientiane Province,
Lao PDR



Resettlement Action Plan

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Acronyms

AH	Affected household(s)
AIIB	Asian Infrastructure Investment Bank
AP	Affected person or people
ARAP	Abbreviated Resettlement Action Plan
CSO	Civil Society Organization(s)
DONRE	District Office of Natural Resources and Environment
DOR	Department of Roads, MPWT
D/PGC	District/Provincial Grievance Committee
DPWT	Provincial Department of Public Works and Transport
EGDP	Ethnic Group Development Plan
EPL	Environmental Protection Law
ESIA	Environmental and Social Impact Assessment
ESMP	Environmental and Social Management Plan
FGD	Focus Group Discussion
GOL	Government of Lao PDR
GRC	Grievance Redress Committee
IDA	International Development Association (of the World Bank)
IEE	Initial Environmental Examination
IEM	Independent External Monitoring
IOL	Inventory of Loss
IR	Involuntary resettlement
Kip	Lao Kip (currency)
M&E	Monitoring and Evaluation
MOF	Ministry of Finance
MONRE	Ministry of Natural Resources and Environment
MPWT	Ministry of Public Works and Transpiration
NDF	Nordic Development Fund
NPA	Non-Profit Associations
NR13N	National Road 13 North
OP/BP	World Bank Operational Policies
OPBRC	Output- and performance-based road contract
PAH	Project Affected Households
PAP	Project Affected People
PONRE	Provincial Department of Natural Resources and Environment
PDR	People's Democratic Republic
PMU	Project Management Unit
PRC	Project Resettlement Committee
PIT	Project Implementation Team
RAP	Resettlement Action Plan
RAPF	Resettlement Policy Framework
ROW	Right of Way
SDG	Sustainable Development Goal
SDS	Social Development Specialist
SEA	South East Asia
SIA	Social Impact Assessment
SPS	Safeguard Policy Statement of the World Bank
VGC	Village Grievance Committee

VRC	Village Resettlement Committee
WB	World Bank

Glossary

Compensation	:	Means payment in cash or in-kind at replacement cost for an asset to be acquired by the Project.
Cut-off date	:	Means the date prior to which the occupation or use of the project area makes residents/users of the project area eligible to be categorized as affected persons. The cut-off date is established in the Resettlement Action Plan (RAP). It normally coincides with the date of the census of affected persons within the project area boundaries, or the date of public notification regarding the specific civil works that would cause displacement. Persons not covered in the census, because they were not residing, having assets, or deriving an income from the project area, are not eligible for compensation and other entitlements.
Household	:	Means all persons living and eating together as a single social unit.
Income restoration	:	Means re-establishing income sources and livelihoods of Project Affected Households (PAH) to a minimum of the pre-project level.
Land acquisition	:	Means the process whereby a person is compelled by the Government through the Executing Agency of the Project to alienate all or part of the land s/he owns or possesses in favor of the State in the implementation of the Project or any of its components in return for consideration.
Livelihood impacts or Economic displacement	:	Means loss of income generating assets or access to income generating assets; or loss of income sources or means of livelihood, whether or not the affected persons must move to another location, and includes loss, or restriction, of access to protected areas resulting in impacts on the livelihoods of the affected persons.
Physical displacement	:	Means the physical relocation or shifting of a person from his/her pre-project place of residence and/or business.
Rehabilitation	:	Means assistance provided to seriously affected people due to the loss of productive assets, incomes, employment or sources of living that require to be compensated in order to improve, or at least achieve full restoration of living standards to pre-project level. The livelihood support may be given in cash or in kind or a combination of the two in order to improve, or at least achieve full restoration of living to improve, or at least achieve full restoration of living given in cash or in kind or a combination of the two in order to improve, or at least achieve full restoration of living standards to pre-project levels.
Project Affected Persons (PAP) or Households (PAH)	:	Includes any person, households, entity, organizations, firms or private institutions who, on account of changes that result from the project will have their (i) standard of living adversely affected; (ii) right, title, or interest in any house, land (including residential, commercial, agricultural, forest, plantations, grazing, and communal land), water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired, possessed, restricted, or otherwise adversely affected, in full or in part, permanently or temporarily; and/or (iii) business, occupation, place of work or residence, or habitat adversely affected, permanently or temporarily, with or without displacement.
Replacement cost	:	Means the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets is not taken into account. Where domestic law does 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 standard.
Resettlement	:	Means all direct economic and social losses resulting from land taking and restriction of access, together with the consequent compensatory and remedial measures. Resettlement is not restricted to its usual meaning—

physical relocation. Resettlement can, depending on the case, include (a) acquisition of land and physical structures on the land, including businesses; (b) physical relocation; and (c) economic rehabilitation of displaced persons (DP), to improve (or at least restore) incomes and living standards.

- Severe impact : As per WB OP 4.12 when more than 10% of productive assets (land or resources) is taken, physical relocation occurs from one's residence or place of business, or people suffer significant loss of livelihood or income.
- 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, elderly people or people with a disability; (ii) households living below the poverty threshold; (iii) the landless; and (iv) ethnic groups as defined under Indigenous Peoples in the World Bank OP/BP 4.10 revised July 2013.

Note:

In this report, "\$" refers to US dollars; and the Lao PDR currency unit is the Lao Kip (Kip). The exchange rate used is US\$ = 8,307 Kip.

EXECUTIVE SUMMARY

Project Description

The climate resilient improvement and maintenance of a 58 km-section of Lao National Road No. 13 North (NR13N) from Xaimounkhong Village of Vientiane Capital to Phonhong Village of Vientiane Province is a critical section of the most important transport of Lao PDR. The project is expected to improve national connectivity, access to public services, markets for the road users particularly those in Vientiane Capital and in Vientiane Province, the project will also help to reinforce regional integration and promote greater economic activity.

Proposed works on the road includes the widening the road from the existing 2 lanes to 4 lanes along the first 17.5 km and rehabilitation from Km 30.5, the alignment of the road itself will be modified slightly at 4 locations (see Section 3):

- the Houay Xaimoun Bridge at km 6+975 will be expanded from 2 to 4 lanes, with the added lanes on the left side requiring that the centerline be shifted to the left for a distance of 200m from each end of the bridge;
- the Houay Xone Bridge at km 9+953 will be expanded from 2 to 4 lanes, with either one lane added to each side or 2 lanes added on the right side (the preferred option), and the preferred options requiring that the centerline be shifted to the right for a distance of 150m from each end of the bridge;
- the Nam Houm Bridge at km 19+200 will be expanded from 2 to 4 lanes, with the added lanes on the left side requiring that the centerline be shifted to the left for a distance of 200m from the south end of the bridge and 150m from the north end; and
- the sharp curve to the right at Ban NaNga at km 25+570, where the radius of curvature will be increased from 200m to 280m to make it safe for vehicles traveling at 80 km/hr.

Resettlement Impacts

The proposed impacts from the works will mainly be within the existing right of way but will still require land acquisition of private and government land as well as structures as confirmed by the preliminary measurement survey (PMS) based on the ongoing engineering designs and a social survey of affected households (SESAH). A more detailed measurement survey should be conducted following the finalization of the detailed design.

The current design alignment will result in:

- 2,398 affected households, of which 96% are Lao Tai, 2% are Hmong, 0.5% are Khmu, and 1.5% are foreign (Chinese and Vietnamese business operators);
- 2,625 plots of land affected, of which 95% are along the section in Naxaythong where the road will be expanded from 2 to 4 lanes wide, and 211 of the land plots (210 in Naxaythong) will lose more than 10% of their area;
- 3,297 built structures affected belonging to 2,161 households, of which 30% are houses, 13% are fences, and 25% are cement slabs in front of commercial buildings; and
- 1,808 business fronting the road, varying from one-person stalls to medium enterprises employing 50 or more staff.

Of the 2,398 affected households, 81 or 3.4% are considered vulnerable (see Section 4.3.3):

- 32 households fall below the official poverty line with a per capita income of less than 240,000 Kip/month;

- 34 female-headed households that include dependents, with a per capita income between 240,000-500,000 Kip/month;
- 5 households are headed by an elderly person and comprise only 1 or 2 members, and have a per capita income between 240,000-500,000 Kip/month;
- 10 households with a disabled member, and a per capita income between 240,000-500,000 Kip/month;

The individuals, households and businesses that will be affected by the road expansion and the construction works to improve the road have been surveyed, and the compensation costs have been estimated. The compensation policy applied was based on both the Lao Compensation and Resettlement Decree 2016 and the World Bank OP/BP 4.12.

Public Consultations

During the preparation of the RAP, participative consultations were undertaken at various levels with the district and village authorities and the affected people. A series of consultations were held in from June to September 2017.

In general, the communities are in support of the project. There were some concerns expressed:

- Fair compensation and must be paid before relocation/construction;
- Compensation cost for land and structures and loss of income;
- Grievance mechanism;
- Construction duration and design a good standard road that is safe;
- Recruit a qualified contractor who can build a quality road on time;
- Mitigation measures during and after construction.

Planning, Implementation and Monitoring

The planning of compensation was prepared based on the inventory of losses and the SEASH carried out. The results of these gives a preliminary estimate 183 billion Kips for compensation and income restoration as summarized in the table below.

No.	Item	Total US\$	Total Kip
1	Land	13,124,809	109,027,787,548
1.1	Residential land - compensation	11,650,146	96,777,760,832
1.2	Agricultural land	951,945	7,907,807,607
1.3	Government land	522,718	4,342,219,109
2	Trees	68,918.85	572,508,900
3	Structures	5,990,396	49,762,215,523
4	Income Restoration, Allowances & Other	851,900	7,076,733,300
6	Subtotal	20,036,023	166,439,245,272
	Administration charges (5%)	1,001,801	16,643,924,527
	Contingency (5%)	1,001,801	16,643,924,527
	TOTAL	22,039,626	183,083,169,799

The Department of Roads within the Ministry of Works and Transport (MPWT) is the Executing Agency for the project and is responsible for the implementation of the project. The project management unit (PMU) within DOR has the responsibility for the implementation and monitoring of environmental and social safeguards as well as the technical aspects.

During implementation, both internal and external monitoring will be performed. The external monitor will be an independent organization contracted by MPWT.

1 INTRODUCTION

1.1 Project Background

1. The Lao Government carried out a feasibility study to improve and maintain a 58 km section of Lao National Road No. 13 North (NR13N) from Xaimoungkhoun Village of Vientiane Capital to Phonhong Village of Vientiane Province. In 2015 a survey on the impacts of the road was carried out and potential affected households have been identified. During the 2014 survey, the affected people have been informed that the right-of-way (ROW) will be based on the Road Law which is 25 meters from the center of each side of the road.
2. The project is expected to improve national connectivity, access to public services, markets for the road users particularly those in Vientiane Capital and in Vientiane Province, and will also help in reinforcing regional integration and economic activity.
3. In May 2017, the Ministry of Public Works and Transport (MPWT) engaged the services of Lao Consulting Group in association with Lao Social Research and Innogreen Engineering Consultant to carry out the environmental and social impacts assessment and assessment of safeguard issues. This resettlement action plan (RAP) is one of the documents prepared in compliance with World Bank's Safeguard Policy Statement (SPS) and Lao PDR's law on Resettlement and Compensation.

1.1.1 Project Objectives and Outcomes

4. The Project aims at achieving sustained and inclusive economic growth, while reducing the effects of natural shocks, and supporting the national efforts to achieve Sustainable Development Goal (SDG) 9 to build resilient infrastructure and SDG 13 to address the impacts of climate change. The outcomes of the project will lead to provision of improved infrastructure and essential services to facilitate growth and increase urbanization. The expected benefits will include improved travel conditions and road safety, reduced transport costs, travel time, and congestion, and improved health outcomes due to long term reduction of noise and dust pollution. It is also expected that the project will increase competitiveness and contribution to growth of local economies, improved access to markets and social services. The project would be composed of the following three components:

Component 1: Road Improvement and Maintenance (Total US\$ 120 million; International Development Association (IDA) US\$36.6 million, Asian Infrastructure Investment Bank (AIIB) US\$39.4 million, Nordic Development Fund (NDF) US\$5.5 million and Government of Lao PDR (GOL) US\$24.0 million). This component would finance: (a) improvement and maintenance, ensuring traffic capacity, quality, climate resilience, road safety aspects for (i) Section Sikeut-Songpeuay Market (km 12 to km 31), which is to be upgraded from 2 to 4-lane, with a 23m wide right-of-way; and (ii) Section Songpeuay Market-Phonhong (km 31 to km 70), to improve the existing 2-lane with a 16m wide right-of-way; and (b) land acquisition as needed for the road improvement.

Component 2: Technical Assistance and Supervision (Total US\$5.3 million: IDA US\$0.7 million, NDF US\$4.0 million and AIIB US\$0.6 million). This component would finance: (a) supervision of road improvement works over a 3-year construction period, including monitoring implementation of environmental and social requirements, followed by supervision and monitoring of the contractor's performance for the initial two years of the post-construction operational period, including monitoring the implementation of environmental and social requirements, and capacity building of the MPWT on the Output- and Performance-Based Road

Contract (OPBRC) supervision and monitoring; and (b) technical assistance to prepare environmental and social studies, and detailed design for other critical sections of NR13 that will be defined during project implementation.

Component 3: Project Management (Total US\$ 2.7 million IDA). This component would finance (a) road safety activities; and (b) project management, including coordination, procurement, financial management, technical and safeguards aspects, monitoring and evaluation (M&E), reporting, training, and incremental operating costs for both the construction period and the initial two years of the operational period.

1.1.2 Involuntary Resettlement

5. During the preparation of the Feasibility Study, field studies were completed which included a screening and scoping of involuntary resettlement (IR) impacts of the rehabilitation of NR13N. The conclusion is that the NR13N improvement likely will create IR impacts if the proposed design and scope of project apply.

6. The IR impacts have been identified and can be mitigated through preparation of resettlement implementation of a RAP. This RAP for NR13N improvement complies with the World Bank's OP 4.12, Decree 84 of the Lao Government, and the Ministry of Natural Resources and Environment's (MONRE) 2013 Ministerial Instruction No. 8030/MONRE on Environmental and Social Impact Assessment Process of the Investment Projects and Activities. Detailed inventory of loss are presented in Annex 1.

Figure 1-1: Map of the Project Area (1)

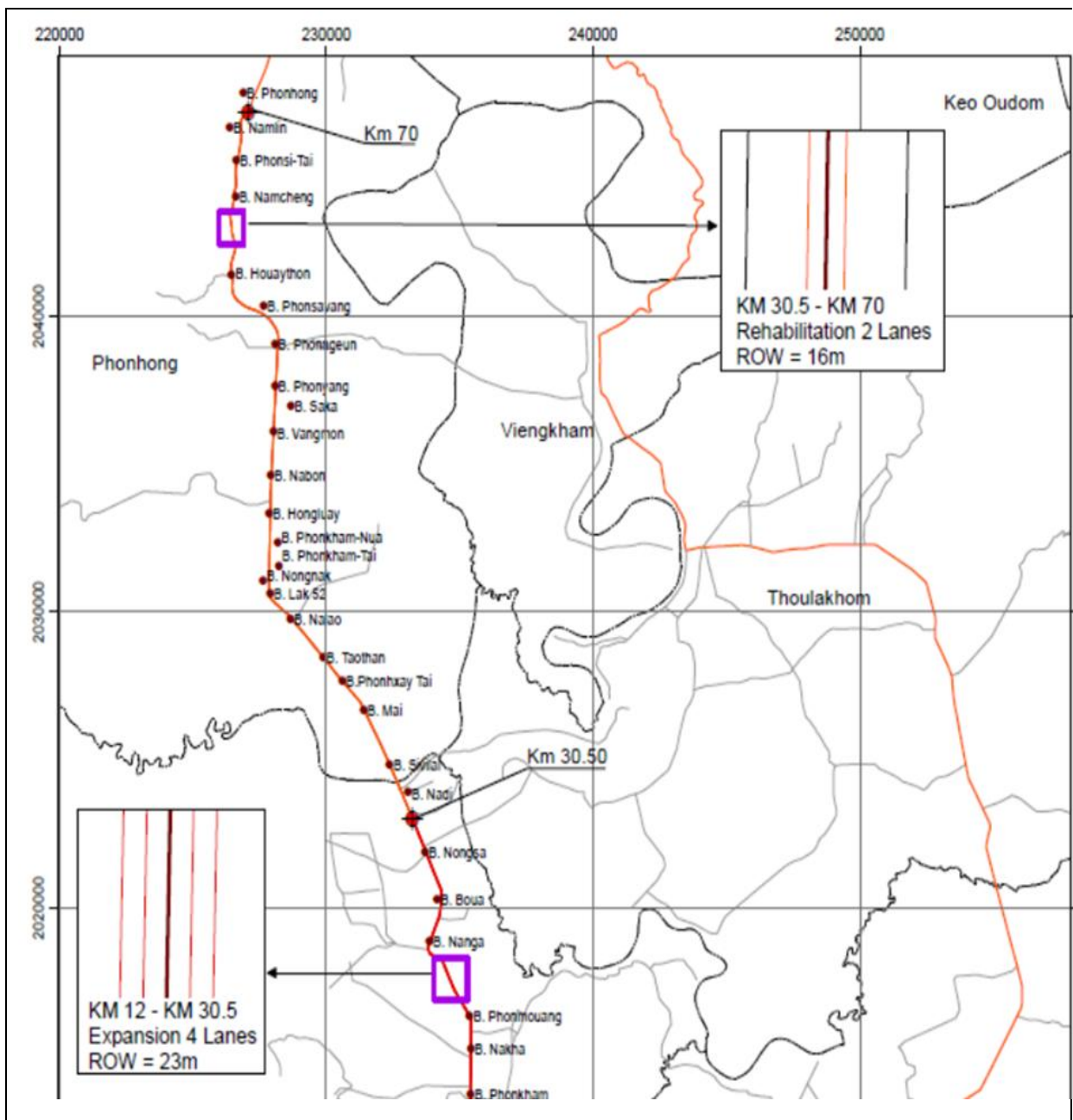
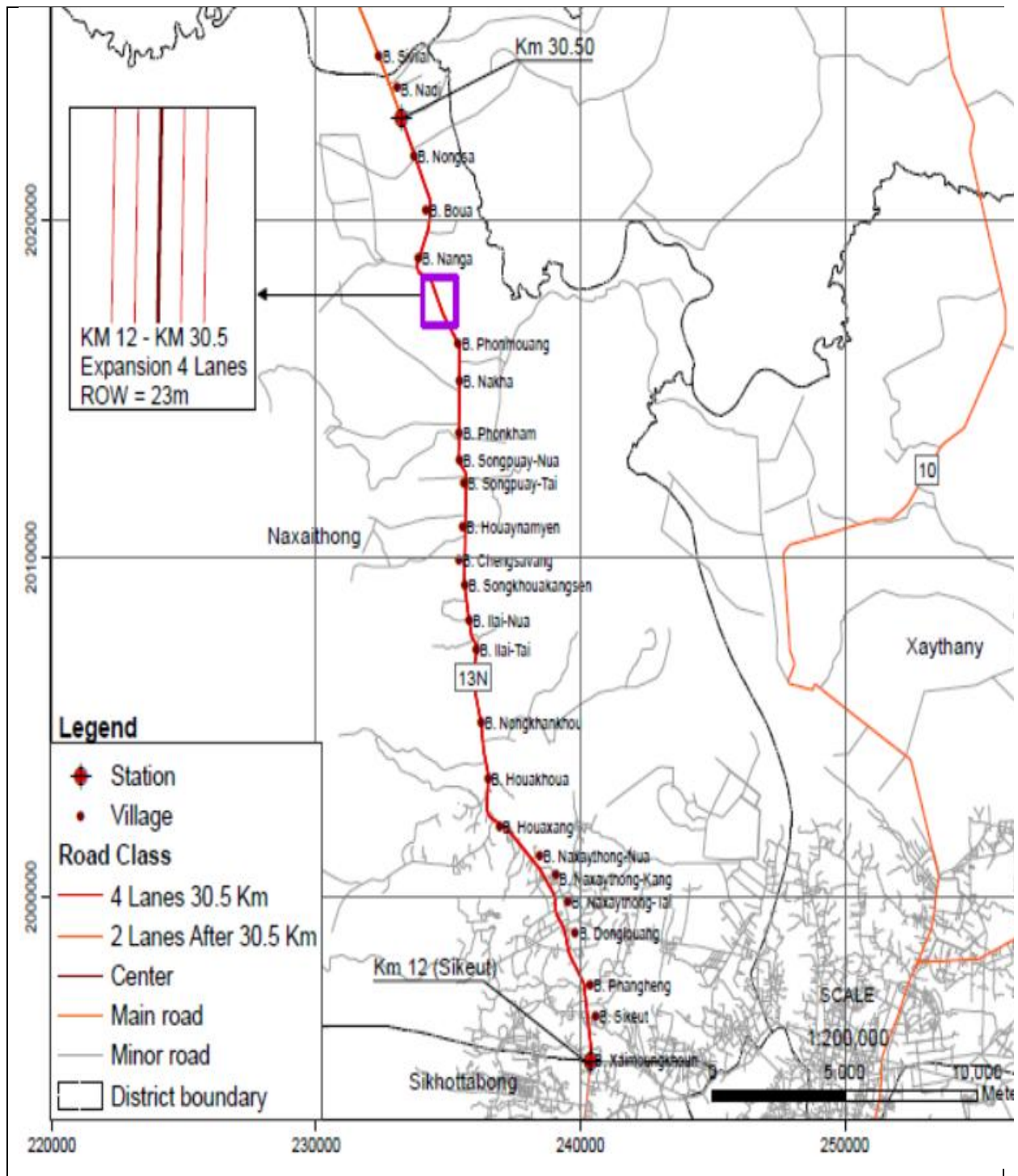


Figure 1-2: Map of the Project Area (2)



1.2 Land: Impacts and Losses

7. Altogether the Project will affect 2,625 plots of land covering about 141,672 square meters, of which 95% is in Naxaythong with the 4-lane road section. The most affected land areas are residential land (48%), followed by commercial land (31%), agricultural land (12%), empty land (6.62%) whose owners cannot be identified or reached, and government land (2.96%).

8. Approximately 211 affected plots of land (8%) will lose more than 10% of their total land area and all but one (210) are located in Naxaythong District. Amongst the more than 10% affected plots of land, 52% are residential land, 39% are commercial land, 7.6% are agricultural land and empty land.

Table 1-1: Land Impacts and Losses

Affected HHs by land type	No. of AHs with land affected	No of land parcels	Area of Land Affected (m ²)	Temp. Area of Land Affected (m2)	Perm. Area of Land Affected (m2)	Av. Area of land affected (as % of total)	No of AHs less than 10% of land affected	No of AHs more than 10% of land affected
Naxaythong:								
Agriculture land	54	60	16,060	3,081	13,253	3.17%	46	8
Residential land	847	920	63,883	13,158	51,937	5.41%	738	109
Business/ Commercial land	493	545	41,524	7,333	34,286	2.58%	411	82
Empty land	57	60	9,382	1,391	8,168	5.24%	49	8
Government Land	32	32	4,159	3,397	9,882	1.50%	29	3
Sub-total	1,483	1,617	135,009	28,361	117,526	3.67%	1,273	210
Phonhong:		0						
Agriculture land	12	13	524	283	241	0.50%	12	
Residential land	664	695	3,637	2,727	936	0.49%	663	1
Business/ Commercial land	258	276	2,474	1,705	769	0.58%	258	
Empty land	2	2	0	0	0	0.00%	2	
Government Land	22	22	29	29	0	0.03%	22	
Sub-total	958	1,008	6,664	4,744	1,946	0.50%	957	1
Total	2,441	2,625	141,672	33,105	119,472	2.82%	2,230	211

Source: IOL (August 2017)

1.3 Structures: Impacts and Losses

9. The Project will affect 3,297 structures of 2,161 households and amongst the affected structures 30% are houses, 13% are fences, 32% are cement slabs in front of commercial buildings, and 32% are house entrances.

Table 1-2: Structures Impacts and Losses

Affected Structures	No. of AHs with Structures affected	Type of Structure				No. of AHs Being displaced	No. of AHs rebuilding on the same land
		House	Fence	Cement slab	Other		
Naxaythong:							
AHs with structures affected	1,247	708	359	700	360	8	16
Phonhong:							
AHs with structures affected	914	279	69	353	469		
Total	2,161	987	428	1,053	829	8	16

Source: IOL (August 2017)

10. The severely affected houses are found in Naxaythong district where 8 houses will be relocated, and another 16 houses can be built on the existing plot (refer to Annex 2 for the list of PAHs to be relocated). In the two districts there are 963 partially affected houses where the extended veranda and roof will be affected.

Table 1-3: Affected Households by Impacts on Houses

Impact	Full impact: No. of AHs rebuilding houses		Partial impact: No. of AHs repairing house on same land
	No. of AHs to be physically resettled	No. of AHs rebuilding on same land	
Naxaythong:			
No. of AHs with houses affected	8	16	684
% of house affected	0.81%	1.62%	69.30%
Phonhong:			
No. of AHs with houses affected			279
% of house affected	0%	0%	28%
Total	8	16	963

Source: IOL (August 2017)

1.4 Loss of Income Sources

11. The Focus Group Discussions (FGD) and socio-economic survey provided much information on the anticipated loss of income due to small businesses being affected by the road widening project. The consultant interviewed 1,808 businesses, situated along the section of road to be widened/improved. These businesses vary in scale from one-person stalls to medium sized enterprises employing 50 or more staff. Apart from physical impacts resulting from the requirement to pull back from the ROW, many small business owners anticipated negative effects on their income due to restrictions on access during construction, and a median strip preventing access from vehicles on the other side of the road after construction. The contractor will be required to provide access to these businesses during construction. About 65% of the businesses were in Naxaythong District, and 35% in Phonhong District.

12. There were approximately 246 restaurants and food stalls which were felt to be at risk from construction dust and noise. Of which, 192 food stalls are at risk of losing income (see Annex 3).

Table 1-4: Distribution of Businesses along Road 13 North

No.	Business type	Frequency	Percent
1	general store	544	30.09
2	car/bike repair	274	15.15
3	cooked food shop	246	13.61
4	hair salon/barber	107	5.92
5	construction shop	106	5.86
6	clothing/gift shop	47	2.60
7	tailoring	31	1.71
8	electrical appliances	30	1.66
9	charcoal, firewood supplies	30	1.66
10	pharmacy	30	1.66
11	company office	25	1.38
12	medical center	24	1.33
13	guesthouse/ karaoke	22	1.22
14	steel fabricator	22	1.22
15	car bike sales	21	1.16
16	scrap metal dealer	20	1.11
17	fuel/petrol products	19	1.05
18	furniture shop	19	1.05
19	agricultural supplies	18	1.00
20	phone shop	16	0.88
21	equipment hire	16	0.88
22	gas bottle retailer	16	0.88
23	factory	16	0.88
24	drinking water factory	13	0.72
25	photocopy/printer	13	0.72
26	plant nursery	12	0.66
27	offerings, religious items	11	0.61
28	stationery	8	0.44
29	glass cutting business	8	0.44
30	car wash	7	0.39
31	sales heavy machinery, trucks	7	0.39
32	Unspecified	7	0.39
33	banks /financial services	5	0.28
34	snooker	5	0.28
35	wood shop	5	0.28
36	laundry	4	0.22
37	school	2	0.11
38	internet game facility	2	0.11
Total		1,808	100.00

Source: Socio-economic survey (August 2017)

2 OBJECTIVES OF THE RESETTLEMENT ACTION PLAN

13. With respect to resettlement planning, the over-riding objective is to avoid IR wherever possible; to minimize IR impacts by exploring project and design alternatives; to enhance, or at least restore, the livelihoods of all affected people (AP) relative to pre-project levels; and to improve the standards of living of poor APs and other vulnerable groups.

14. The basic objectives of the RAP are to: (i) serve as a binding document to ensure a fair and disclosed process for participation, identification and mitigation of IR impacts, and

payment of compensation and assistance to APs; (ii) guide the Project Management Unit (PMU) at the Department of Roads (DOR) of MPWT in clearly identifying, compensating, and restoring the livelihoods of AP; and (iii) provide direction for the PMU in updating/finalizing, implementing and monitoring the RAP.

15. The RAP identifies measures to ensure that AP are, (i) informed about, and consulted on, the proposed project and agree in principle with the Project; (ii) informed about their options and rights pertaining to IR impacts; (iii) consulted on, offered choices among, and provided with suitable compensation and/or resettlement alternatives; and (iv) provided prompt and effective compensation at full replacement cost for losses of assets attributable directly to the Project.

3 ANALYSIS OF PROJECT ALTERNATIVES AND MINIMIZING RESETTLEMENT

16. The Design Firm has identified 4 locations requiring substantial changes in road alignment to respect the 4 lanes design standard in Naxaythong District:

1. Houay Xaimoun Bridge;
2. Houay Xone Bridge;
3. Nam Houm Bridge; and
4. Ban NaNga curve.

17. The Survey Firm has carried out field visits with the Design Firm on the 4 locations to identify options available to minimize project impact and resettlement.

3.1 Houay Xaimoun Bridge

Location	Naxaythong Nua village, Km 6+975
Existing Bridge	18m span concrete structure with a pedestrian lane on right side
Visual assessment	The area is sparsely built up, with empty land on the right side of the bridge with paddy field.
Recommendation	Because there is a house on the right side of the road past the bridge, it is recommended to expand the bridge on the left side to minimize the impact on the structure (Figure 3.1). A distance of 200m from each end of the bridge will be required to gradually and safely bring the change in alignment at the bridge location back to the existing road alignment. A shorter distance will create a deviation in the road alignment that is too sharp and that would be dangerous to traffic. The land between the existing alignment and the new alignment for 200m from each end of the bridge will have to be acquired by the Project.

Figure 3-1: Houay Xaimoun Bridge



3.2 Houay Xone Bridge

Location	Houakhoua village, Km 9+953
Bridge length	25m span concrete structure with a pedestrian lane on the right side
Visual assessment	This area has a dense population with many houses built along both sides of the road, but the right side is less dense.
Option 1	Keep the center line of the old bridge, and expand the bridge on both sides equally as shown in Figure 3-2 . This option would require the construction of a temporary bypass road during bridge construction, because the existing bridge will be totally demolished to make way for the new bridge construction. All the traffic will have to use the bypass road during construction. The cost estimate for Option 1 is presented in Tables 3-1, 3-2 and 3-3 .
Option 2	Shift the center line to the right side as shown in Figure 3-2 . This option will have a potential impact on houses and shops located on the right side of the road, but it will not require a bypass road during construction. The existing bridge will be used for road traffic while the right side of the new bridge is under construction; then, when first new bridge section has been completed, the old bridge will be removed and the left side section of the new bridge will be

	<p>constructed. Land acquisition for a distance of 150m from each end of the new bridge will be required to gradually and safely bring the change in road alignment at the bridge back to the existing road alignment. A shorter distance would create a deviation in the road centerline that is too sharp and dangerous to traffic. The land between the existing and new road alignments extending for 150m from either end of the bridge would have to be acquired by the project, and the cost estimate is provided in Table 3-4.</p>
Recommendation	<p>In view of the potential impacts presented in Tables 3-1 and 3-2, Option 2 presents a more economical alternative at a cost of USD 371,680 when compared to Option 1 at a cost of USD 560,272.</p>

Figure 3-2: Houay Xone Bridge Option 1, and

Houay Xone Bridge Option 2

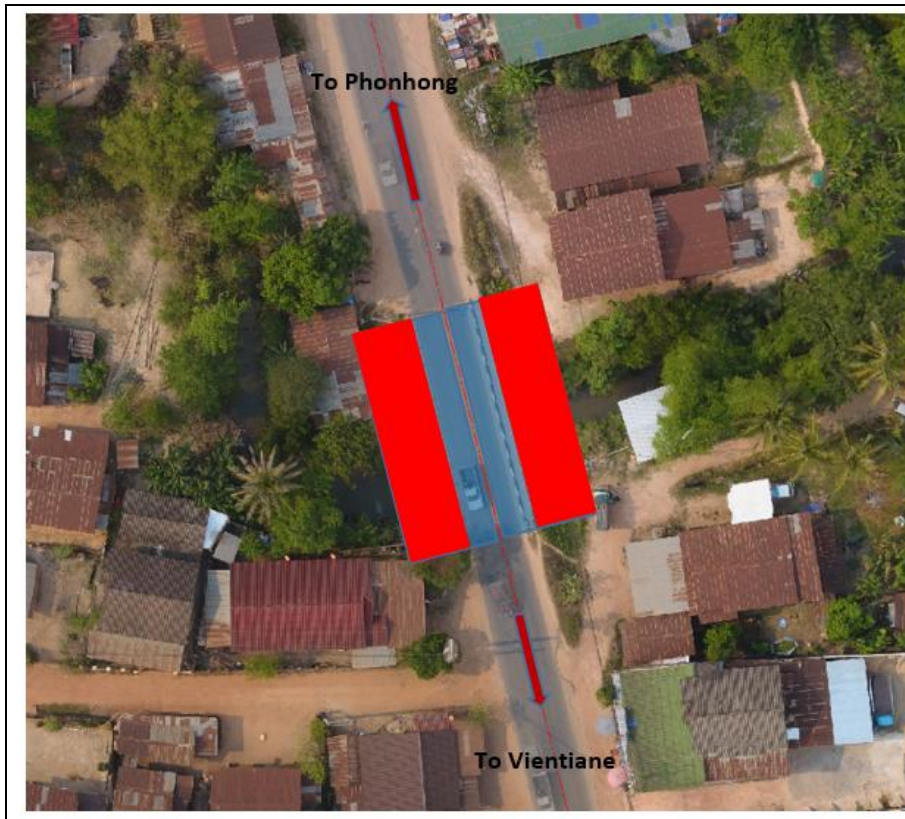


Table 3-1: Houay Xone Bridge Option 1, impact on the left side of the road.

AH ID	HH Name	Land Holding (m2)	Affected Area (m2)	Affected Area (%)	Structure (m2)	Concrete slab (m2)	Total
NHK-L053	Xay		50.85		55.30	30.10	33,272,781
NHK-L054	Vien	620	36.00	5.81	0.00	0.00	16,308,000
NHK-L055	Inpeng	400	22.50	5.63	61.20	33.30	21,521,574
NHK-L056	Bounyong	822	0.00	0.00			
NHK-L057	Yong	488	30.00	6.15	10.50	5.25	15,495,960
NHK-L058	Manivanh		42.00		96.00	72.00	35,779,920
NHK-L059	Khamsai	176	26.50	15.06	24.00	105.00	23,940,480
NHK-L060	Mi	202	27.50	13.61	90.00	90.00	224,701,800
NHK-L061	Khamsai	413	58.50	14.16	43.65	43.65	34,609,361
NHK-L062			35.00		-	104.00	83,455,000
NHK-L063	Pone		0.00		72.00	72.00	71,335,440
NHK-L064	Bouakham	3,057	162.00	5.30	32.90	47.85	109,119,833
NHK-L065	Thitma	1,899	40.05	2.11	84.70	84.70	216,405,869
NHK-L066	Noy valy	304	31.50	10.36	68.25	80.00	30,397,053
NHK-L067	Salong		50.40		55.80	55.80	33,197,166
NHK-L068	Somphone	3,057	115.00	3.76	196.70		79,784,459
Total Kip							1,029,324,695
Total USD							123,910

Table 3-2: Houay Xone Bridge Option 1, impact on the right side of the road.

AH ID	Household Name	Land Holdings (m2)	Affected Area (m2)	Affected Area (%)	Structure (m2)	Concrete Slab (m2)	Total
NHK-R066	Singuan	893	57.80	6.47	0.00	0.00	26,183,400
NHK-R068	Sing (Sakda)	814	34.00	4.18	0.00	0.00	15,402,000
NHK-R069	Pey Thidma)	2,267	88.40	3.90	0.00	0.00	40,045,200
NHK-R070	Thananat		40.00	-	0.00	0.00	18,120,000
NHK-R071	Chansamone		45.00	-	0.00	0.00	20,385,000
NHK-R058	Bouakham		48.60	-	0.00	0.00	22,015,800
NHK-R059	Bounthone	267	30.00	11.24	0.00	6.00	14,434,620
NHK-R060	Sy (Mae Tou Ma)	502	39.60	7.89	77.44	66.03	93,057,843
NHK-R061	Bounmone	42	24.90	59.29	37.35	95.04	114,574,780
NHK-R062	Khanthaly	98	72.00	73.47	96.00	84.00	272,038,680
NHK-R063	Mone	568	26.18	4.61	66.00	79.90	168,307,063
NHK-R064	Linthong	627	46.00	7.34	63.00	58.50	167,673,045
NHK-R065	Khamming	737	27.50	3.73	94.99	15.30	95,352,781
Total Kip							1,067,590,212
Total USD							128,517

Table 3-3: Houay Xone Bridge Option 1, Impact of the Bypass Road.

No	Description	Unit	Qty	Unit rate	Total (LAK)
200	Earth work				
201	Removal of existing pavement, thick 5cm				
201.1	Removal of existing pavement	m ³	21787	21,711	473,018,631
204-2	Filling	m ³	16,915	35,313	597,312,332
204-3	Sub grade, thick 30cm	m ³	2,777	138,199	383,822,847
300	Road structure				
301-1	Sub base, thick 25cm	m ³	2,095	68,120	142,716,850
302-1	Base course, thick 20cm	m ³	1,423	184,837	263,050,777
303-1	Prime Coat, MC-70	L	4,862	13,212	64,236,744
304-1	Bituminous layer-01	m ²	4,862	10,930	53,141,660
304-2	Aggregate layer-01	m ³	50	305,466	15,273,300
400	Drainage and Reinforce concrete structure				
401	Temporary Bailey Bridge Construction	mL	12	45,118,000	541,416,000
403-2	Concrete U ditch for irrigation	mL	20	842,529	16,850,583
403-3	Pipe Culvert, Ø 1,000 mm	mL	44	146,077	6,427,388
Total Kip					2,557,267,112
Total USD					307,845

Table 3-4: Houay Xone Bridge Option 2, Impact on the left side of the road.

PAP ID	Name of Head of Affected Household	Total Land Holdings (m2)	Area of Affected Land (m2)	% of Land Holdings Affected	Area of Concrete Floor Affected (m2)	Area of Structure Affected (m2)	Total Cost (Kip)
NHK-L053	Xay	-	37.29	-	55.30	30.10	11,926,968
NHK-L054	Vien	620.00	18.00	2.90	-	-	815,400
NHK-L055	Inpeng	400.00	3.60	0.90	61.20	-	8,778,204
NHK-L056	Bounyong	822.00	-	-	-	-	-
NHK-L057	Yong	488.00	-	-	10.50	-	1,478,085
NHK-L058	Manivanh	-	-	-	96.00	30.00	14,863,920
NHK-L059	Khamsai	176.00	-	-	24.00	21.75	5,151,105
NHK-L060	Mi	202.00	-	-	90.00	17.75	53,294,300
NHK-L061	Khamsai	413.00	13.00	3.15	43.65	-	588,900
NHK-L062		-	-	-	-	-	-
NHK-L063	Pone	-	-	-	72.00	-	10,135,440
NHK-L064	Miss Bouakham	3,057.00	65.06	2.13	32.90	-	7,578,551
NHK-L065	Thitma	1,899.00	8.55	0.45	84.70	-	12,310,534
NHK-L066	Noy valy	304.00	-	-	68.25	7.00	15,484,928
NHK-L067	Salong	-	-	-	14.40	14.40	2,675,088
NHK-L068	Somphone	3,057.00	-	-	196.70	0.00	27,689,459
Total Kip							172,770,882
Total USD							20,798.23

Table 3-5: Houay Xone Bridge Option 2, Impact on the right side of the road.

PAP ID	Name of Interviewee	Total Land Holdings (m2)	Area of Affected Land (m2)	% of Land Holdings Affected	Area of Structure Affected (m2)	Area of Concrete Slab Affected (m2)	Total Cost (Kip)
NHK-R066	Singuan	893.00	200.60	22.46	183.61	129.80	577,208,360
NHK-R068	Sing (Sakda)	814.00	120.00	14.74	118.56	45.98	171,825,691
NHK-R069	Pey Thidma	2,267.00	142.35	6.28	58.24	39.55	78,912,540
NHK-R070	Mr Thananat		201.20	-	0.00	0.00	91,143,600
NHK-R071	Miss Chansamone		82.80	-	0.00	0.00	37,508,400
NHK-R058	Bouakham (Mae Tou Keomany)		79.38	-	45.60	45.60	44,430,252
NHK-R059	Bounthone	267.00	59.40	22.25	0.00	33.60	120,951,000
NHK-R060	Sy (Mae Tou Ma)	502.00	67.32	13.41	94.50	66.03	120,116,003
NHK-R061	Bounmone	42.00	39.52	39.52	48.16	31.24	131,140,293
NHK-R062	Khanthaly	98.00	90.25	92.09	104.31	54.18	290,786,019
NHK-R063	Mone	568.00	72.00	12.68	173.46	79.90	438,643,699
NHK-R064	Linthong	627.00	125.00	19.94	259.20	108.68	663,352,584
NHK-R065	Khamming	737.00	128.75	17.47	94.99	69.87	148,900,850
Total Kip							2,914,919,291
Total USD							350,899

3.3 Nam Houm Bridge

Location	Songpuay-Nua village, Km 19+200
Bridge length	25m span concrete structure with a pedestrian lane on right side
Visual assessment	This section is populated with houses/shops along the road.
Recommendation	Expansion of the bridge of the left-hand side will be more economical because there are fewer built structures on this side of the road (Figure 3-3), within 200m from south end and 150m for North end of the bridge. These distances will be required to gradually and safely bring the change in alignment at the bridge location back to the existing road alignment. A shorter distance will create a deviation that is too sharp which will be hazardous to traffic. The land between the existing and 350m new alignment will have to be acquired by the project.

Figure 3-3: Nam Houm Bridge



3.4 Re-alignment of the Ban NaNga Curve

Location	NaNga village, Km 25+570
Existing alignment	The existing alignment causes many traffic accidents because of the sharp curve and poor design.
Visual assessment	This section is mainly consisted of empty lands.
Recommendation	A proposed new design is recommended by offsetting the existing alignment by 16m on the right-hand side of the road (Figure 3-4). This will make the road safer by increasing the radius of curvature from 200m to 280m. The minimum horizontal curve radius specified in MPWT's road design manual for a speed of 80 km/h is 250m, so the 200m existing radius would be inadequate.

Figure 3-4: Ban NaNga Curve



3.5 Road Connection

18. For a smooth transition between the road section with a 23m ROW and the road section with a 16m ROW, the road alignment has been modified. This will impact 27 land parcels in Songpuay-nua with an approximately 3,675m², and 27 land parcels in Phonkham with a total of 2,100m². The estimated compensation is USD 217,000, and this amount is not included in the total compensation cost of the RAP.

4 SOCIO-ECONOMIC INFORMATION AND PROFILE

4.1 Impact Area and Affected Households

19. The Project will impact 24 villages in Naxaythong District and 20 villages in Phonhong District. As shown in **Table 4-2**, the Project is expected to directly affect about 2,398 households with 11,138 members, of whom 5,747 or 51.6% are female. Among the 2,398 affected households (AH), 51 or 2.1% declined to be interviewed¹, and 90 or 3.8% were unable to be reached during the socio-economic survey carried out from July to September 2017. The survey team made three attempts to contact the PAHs whose phone numbers had been provided by the Village Authority. The summary of uncontactable households and households who did not want to be interviewed is as follows:

¹ Busy, refused, did not want compensation

Table 4-1: Summary of Uncontactable PAHs and PAHs who Refused Interview

District	Busy	Refused	Do not want compensation	Cannot contact	Data Missing	Total
Naxaythong	10	2	2	54		68
Phonhong	19	6	12	33	3	73
Total	29	8	14	87	3	141

20. Efforts to contact these cases will be taken up by GOL. The cases remain in the Inventory of Loss (IOL) database, and compensation has been estimated where possible. The list of these PAHs is presented in Annex 4.

21. The following description of the characteristics of the AHs is based on the information provided during the census and socio-economic survey undertaken during the IOL. Information is presented on the basis of gender of head of household, or vulnerability or poverty level, where those factors are relevant.

Table 4-2: Total Affected Households by Village

No.	Village	Affected households			Affected People		
		Total AH	Female Headed AH	Male Headed AH	Total female AP	Total male AP	Total AP
I. Naxaythong District							
	Xaimoungkhoun	19	1	18	47	46	93
	Sikeut	44	9	35	97	98	195
	Phanghaeng	62	12	50	137	133	270
	Donglouang	34	6	28	109	80	189
	Naxaythong-tai	75	15	60	190	193	383
	Naxaythong-kang	15	3	12	29	39	68
	Naxaythong-nua	60	17	43	163	146	309
	Houaxang	68	11	57	144	161	305
	Houakhoua	131	18	113	278	306	584
	Nongkhanhou	49	6	43	104	100	204
	Ilai-tai	70	14	56	206	174	380
	Ilai-nua	73	15	58	182	169	351
	Houaynamyen	108	17	91	269	272	541
	Chaengsavang	11	2	9	33	26	59
	Songkhouakangsaen	55	8	47	145	152	297
	Songpuay-tai	53	11	42	133	137	270
	Songpuay-nua	47	9	38	113	110	223
	Phonkham	64	15	49	160	141	301
	Nakha	52	8	44	140	130	270
	Phonmouang	87	22	65	210	204	414
	Nanga	79	27	52	228	209	437
	Boua	38	9	29	76	63	139
	Nongsa	112	25	87	289	250	539
	Nadi	61	12	49	145	134	279
	Total Naxaythong	1,467	292	1,175	3,627	3,473	7,100
II. Phonhong District							
	Sivilai	53	10	43	127	129	256
	Mai	110	21	89	296	267	563
	Phonxai-tai	57	21	36	136	127	263
	Taothan	40	13	27	92	90	182
	Nalao	92	15	77	232	220	452
	Lak 52	68	8	60	179	186	365
	Nongnak	7	1	6	9	11	20
	Phonkham-tai	22	3	19	56	55	111
	Phonkham-nua	39	3	36	112	108	220
	Hongluay	23	3	20	60	59	119
	Nabon	51	10	41	124	11	135
	Vangmon	50	12	38	116	103	219
	Saka - Phonnyang	37	7	30	75	68	143
	Phonsavang	45	8	37	122	91	213
	Phonngeun	29	2	27	81	74	155
	Houaython	41	4	37	111	83	194
	Namchaeng	60	9	51	156	138	294
	Phonsi-tai	57	14	43	151	137	288
	Phonhong	24	9	15	67	59	126
	Namlin	26	3	23	59	59	118
	Total Phonhong	931	176	755	2,361	2,075	4,436
	Total both districts	2,398	468	1,930	5,988	5,548	11,536

Source: Socio-economic survey (August 2017)

4.2 Characteristics of Affected Households

4.2.1 Size and Composition of Households

22. **Table 4-3** breaks down the 2,398 households by the number of household members and the gender of the head of household. Overall, a little under 80% of households are headed by men and a little over 20% are headed by women; and male-headed households tend to have more members than female-headed households as shown in the table below. Female heads are relatively more numerous for households with less than 4 members and also for households with 8 or more members. Male heads are relatively more abundant in the 4 to 7 member sized households.

Table 4-3: Household Size by Sex of Household Head

HH size	Head of HH		% for each size group
	M	F	
1	50%	50%	3%
2	68%	32%	10%
3	74%	26%	12%
4	86%	14%	22%
5	85%	15%	20%
6	82%	18%	13%
7	82%	18%	8%
8	78%	22%	5%
9	78%	22%	3%
10	80%	20%	2%
11	79%	21%	1%
12-16	76%	24%	1%
Totals	80%	20%	100%

Source: Socio-economic survey (August 2017)

4.2.2 Age, Marital Status and Education of Head of Household

23. As shown in **Table 4-4**, more than three-quarters of AHs are headed by a person between 31 and 60 years old (with nearly two-thirds in the 31 to 45-year age group). A small proportion of heads of AHs are either 30 years old or younger (4%) or elderly women more than 76 years of age (accounting for 10% of female headed AHs). Overall more women (11%) than men (7%) are older than 61 years.

Table 4-4: Age of Heads of Affected Households

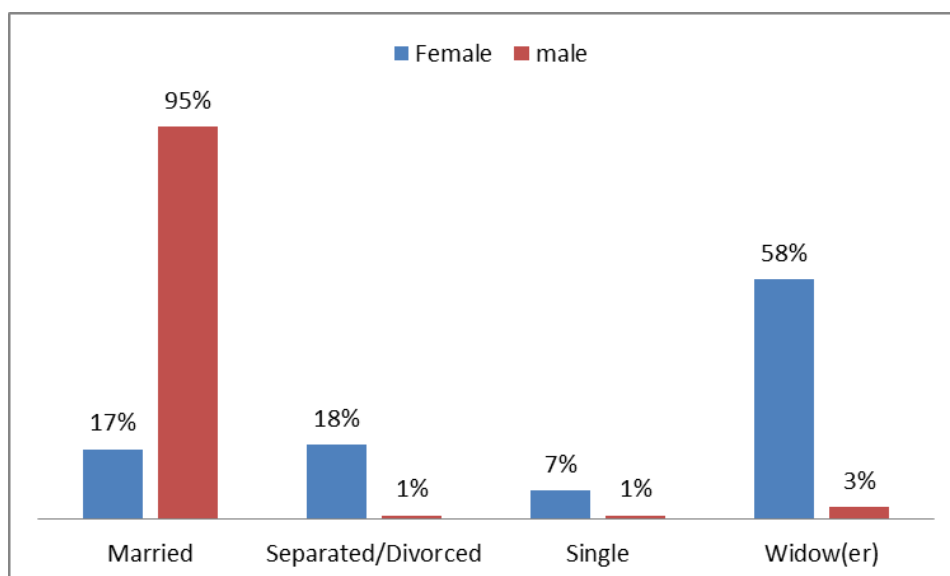
Sex of Head of Household	Age Group in Years (%)				
	18 – 30	31 – 45	46 – 60	61 – 75	76 & Older
Female	4	19	40	27	10
Male	4	28	42	20	6
Total	4	26	42	21	7

Source: Socio-economic survey (August 2017)

24. Most AHs (78%) are headed by a married couple, while the remaining AHs are headed by a single person by virtue of being unmarried (3%), separated or divorced (5%) or widowed (15%). **Graph 4-1** shows that 95% of the male heads of households are married, while 3% are widowers, 1% are separated or divorced and 1% are single; and in contrast

58% of the female heads of households are widows, while 18% are separated or divorced, 17% are married and 7% are single.

Graph 4-1: Marital Status of Head of Household by Sex



Source: Socio-economic survey (August 2017)

25. **Table 4-5** shows that fewer females than males continue their education beyond the lower secondary level; and that 13% of female heads of AHs compared with 23% of male heads of AHs household have completed secondary school. More significantly, 14% of female heads of AHs do not have a formal education compared with 5% of male heads of AHs.

Table 4-5: Highest Level of Education

Sex of Head of Household	Education level (%)					
	None	Primary	Lower Secondary	Upper Secondary	Vocational	University
Female	14%	40%	24%	13%	5%	4%
Male	5%	32%	25%	23%	8%	7%
Total	7%	33%	25%	21%	7%	7%

Source: Socio-economic survey (August 2017)

4.3 Livelihoods, Poverty and Vulnerability

4.3.1 Livelihoods and Income Sources

26. **Table 4-6** shows the main occupations of men and women household heads. The significant difference in the M:F distribution of occupations is seen with government appointments, company positions, labor work, and being retired, which strongly favor men, while more women described themselves as home-makers and traders. Interestingly, while 11% of men describe themselves as unemployed, none of the women do.

Table 4-6: Distribution of main occupation of heads of households (%)

Occupation	Male	Female
Farmer	14.7	13.3
Government Officer	14.9	4.3
Company employee	5.6	2.3
Trader	30.5	39.3
Daily worker/ laborer	7.7	1.9
Homemaker	0.8	27.6
Migrant worker	0.4	0.1
Retired, ill, not working	4.5	2.5
Unemployed	11.0	0
Business owner	9.9	8.8
Total	100	100

Source: Socio-Economic Survey (August 2017)

Table 4-7: Average income by occupation

Occupation	Overall	Male Headed Households	Female-headed Households
Farmer	10,503,000	11,633,000	10,853,000
Government Officer	17,572,000	23,087,000	17,646,000
Company employee	15,171,000	20,985,000	5,721,000
Trader	36,576,000	43,557,000	20,716,000
Daily worker or laborer	14,437,000	14,475,000	3,615,000
Homemaker	12,971,000	12,471,000	10,933,000
Migrant worker	9,876,000	12,649,000	
Retired, ill, not working	22,151,000	19,316,000	17,382,000
Unemployed	14,575,000	15,143,000	
Business owner	45,948,000	46,570,000	16,803,000
Average	26,389,000	27,899,000	14,937,000

Source: Inventory of Losses (August 2017)

Note: a significant number of households (approx. 20%) did not state whether the head was M or F. This has skewed the data in the Overall column somewhat towards those households.

27. The data revealed large differences between the income of male and female headed households. The average income of female-headed households was 14,937,000 Kip/month, while that of male-headed households was almost double at 27,899,000 Kip/month. The disparity was most apparent with business owners and traders, where the male income was more than double the female income. Overall the incomes were found to be very high when compared with data for the Lao PDR as a whole. The GDP per capita for Laos was reported at USD 2,394 per capita per year, roughly equivalent to 8,300,000 Kip per household per month over the whole country, and only 56% of the average income for female-headed households and 30% of that of male-headed households in this survey.

28. Notable also was that 11% of male headed households were headed by men who described themselves as “unemployed”. These households had an average income of over 15 million Kip per month, (54% of average survey income), but higher than the incomes

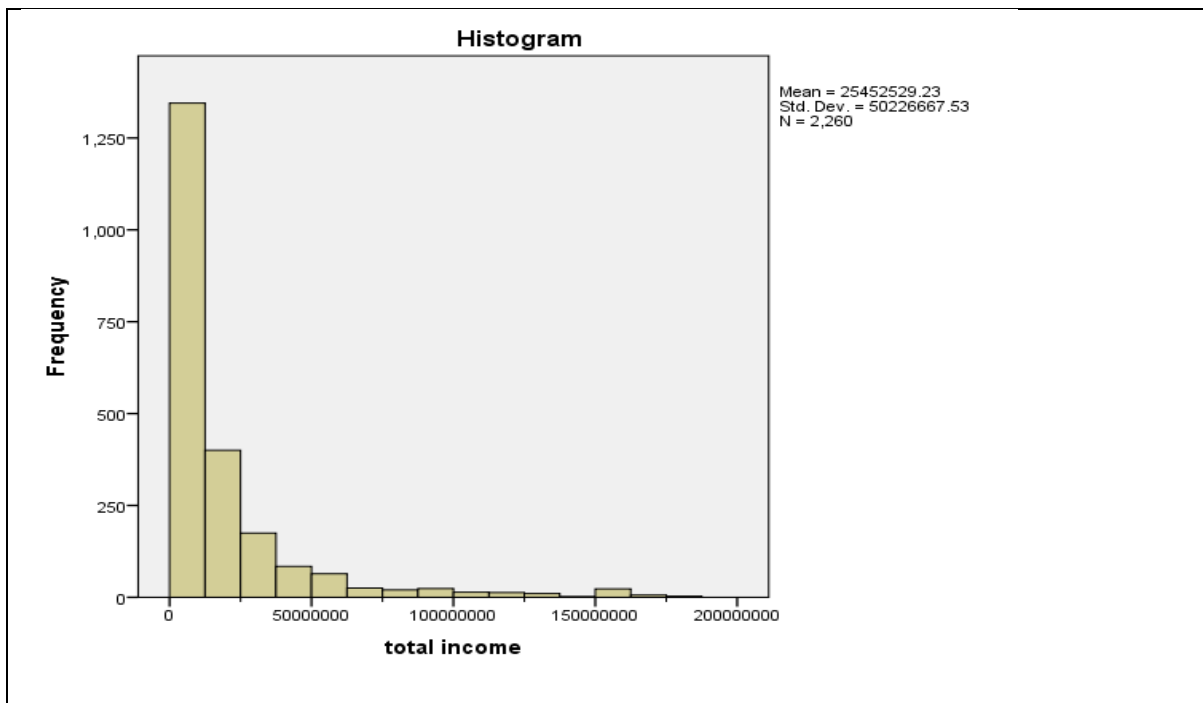
reported by daily laborers and farmers. Upon further analysis of the data, it appears that male unemployed heads of households come from above-average sized households where almost all female heads are employed, and on average almost one other person is also employed.

4.3.2 Income Levels and Poverty

29. Household income has been obtained by collecting data about (i) wages or salary earned from different sectors (public and private sector employment, construction, tourism); (ii) sales from agricultural produce and other goods produced by the household; and (iii) non-wage income such as remittances or pensions. The total household income has been based on sources of income stated during the socio-economic survey, it does not factor in any imputed values for additional production or production that is also consumed by the household, and therefore represents cash income only. Incomes reported are gross, before tax and other social payments. Although the survey collected data on both household and business incomes, it sometimes proved difficult for many small business owners to differentiate between business income and other sources of income coming into the household. It is likely that some small business owners have conflated business income with personal and other household income, thereby inflating the stated incomes of small business people who operate a business from their dwellings (traders and the like).

30. The average household income (all sources) was 25.5 M Kip per month and average per capita monthly income was 6.14 M Kip. The median household income was 9.5 M Kip, which shows how strongly skewed the income groups are towards the lower end. The histogram below displays values for household income from 0-200 M Kip (full range of values is 0-425 M Kip).

Graph 4-2: No. of Households in different income groups



31. The total household income from all sources was split according to the number of household members and then into income groups, as shown in **Table 4-8**.

Table 4-8: Monthly Per Capita Income Quartiles

Income quartile	Monthly per capita income (Kip)		
	Minimum	Maximum	Average
1st	62,500	1,010,000	654,422
2nd	1,011,667	2,100,000	1,502,435
3rd	2,105,000	5,000,000	3,266,726
4th	5,000,000	250,000,000	19,144,790
Average	62,500	250,000,000	6,142,093
Median			2,102,500

Source: Socio-Economic Survey (August 2017)

32. The average and median income did not differ significantly between the two districts overall, but there were significant variations among the 44 villages. Male- and female-headed households showed relatively small differences in the first three quartiles, but a large difference in the fourth, where male-headed households earned 81% more than female headed households.

Table 4-9: Distribution of Affected Households across Income Quartiles by Village and by Gender of Head of Household

Village and sex of Household Head	Income Quartile (means, in millions of Kip)			
	1st	2nd	3rd	4th
Naxaythong	0.65 M	1.50 M	3.27 M	19.84 M
Phonhong	0.66 M	1.51 M	3.27 M	18.01 M
Female	0.6 M	1.53 M	3.34 M	21.12 M
Male	0.67 M	1.42 M	3.01 M	11.67 M

Source: IOL (August 2017)

4.3.3 Vulnerability

33. Vulnerable households, as defined by Decree 84 by GOL, dated 05/04/2016 on Compensation and Resettlement Management in Development Project, include those who might suffer disproportionately from the loss of fixed and movable assets, other assets and production base, or face the risk of being marginalized from the effects of resettlement, and specifically include:

- Households with persons falling under the generally accepted indicator for poverty as defined by the Ministry of Labor and Social Welfare (already discussed above), or the landless;
- Divorced or widowed female headed households with dependents and low income;
- Households with disabled or invalid persons; and
- Elderly households with no means of support.

34. Approximately 23 households (less than 1%) fall below the official poverty line of per capita monthly income of 240,000 Kip. Most of these were women-headed households, as well as farmers and daily laborers. None of these poor households is among ethnic groups.

35. Excluding those already included in the “poor”, 34 of the female headed households are in the 2nd income group (low income with monthly income per capita between 240,000 and 500,000 Kip) and have dependents.

36. There are 5 households that are headed by the elderly, with monthly income per capita between 240,000 and 500,000 Kip and comprise only one or two persons and therefore have little labor to sell or other means of support.

37. About 10 AHs with monthly income per capita between 240,000 and 500,000 Kip recorded having members with a disability. These households are in the 2nd income quartile and considered vulnerable.

38. In total there are 81 households (3%) that are considered vulnerable by virtue of the foregoing definition. Error! Reference source not found.9 shows the number of households falling into each classification of vulnerability.

Table 4-10: Vulnerability of Affected Households

Category of vulnerability	Affected Households	
	Male-headed	Female-headed
Households falling below poverty line	14	18
Low income, single female-headed AHs (excluding households below poverty line) Per capita income of 500,000 Kip/month or less	0	34
Households with disabled members (excluding households below poverty line)	6	4
Elderly with no means of support (household head >65 years and household size less than 3)	5	0
Total	25	56
	81	

Source: Socio-Economic Survey (August 2017)

4.4 Gender Issues

4.4.1 Gender Issues and Disaggregation of the Inventory of Loss Data

39. The Village Survey collected sex-disaggregated data about people living along NR13N from Xaimoungkhoun to the Phonhong intersection including the data on female participation in the village authority committees and village organizations and special groups. Numbers of ethnic people and vulnerable people were collected. See Error! Reference source not found.above for general data on women living along the road, and family sizes of male and female-headed households.

40. The household socio-economic survey contained specific questions concerning women's education levels, and ownership of houses, land and businesses. The survey results showed that 9% of women in women-headed households owned small businesses such as fresh food and bakery shops, grocery shops and beauty salons, and 39% traded goods at markets or other locations. Altogether 223 businesses were run by women-headed households, out of a total of 1,808. Another 576 businesses were run by women within male-headed households, 479 of them together with their husbands. 15 % of businesses have bank accounts used for the business (c.f. 26% of male owned businesses) and 17% had a business accounts recording system (compared with 19% of male owned businesses). The number of staff employed is small as these are mainly family businesses, supported by family members. The average age of widows is 63 and most of them are sharing their house with their children's family.

41. All female-headed AHs were invited to participate in the public consultation. Specific meetings and/or discussions were conducted with female-headed households in most

project villages (a total of 403 Lao and Hmong women took part in FGDs, and total of 1,316 women attended the public consultation meetings. See **Table 10-1**.

42. The issue that chiefly concerns women that was most often raised during the public consultations was the loss of income during the construction period, especially for food sellers. Other important concerns raised by women focus groups discussion were:

- Reasonable compensation is requested to cover the cost of moving and rebuilding their structures as well as the land lost.
- Access to houses and shops during the construction needs to be guaranteed by the contractor.
- Most women mentioned that they have limited knowledge of and access to legal documents and government procedures. For example, none of the FGD participants has read or knows of the Prime Minister's Decree No. 084 about compensation, and nobody including the male participants has read the National Road Law and nobody knew that the National Road Law was updated in 2016.

43. Women said they would be more confident if the compensation is supervised by an international organization, some having had bad experience with GOL road projects (for example Pak Kha Young road in Phonhong).

44. Most participants have experienced bad management during construction, delays, no compensation or just minimal compensation for their loss, and low quality of road construction. Most participants talked about the delay of the Dongdok–Nongbouk intersection road construction and they requested this project to make sure not to repeat the same experience. On the other hand, most shop owners in Namlin and Phonhong villages requested the project to use the same company that upgraded the road from Namlin to Phonhong (a Japanese Company). These women were very satisfied with the contractor and the road work did not disturb their business, dust control was very good and there was no mess left behind at the end of the day which is never the case with Lao or Vietnamese contractors.

45. Delays in construction work will create a lot of debt for small businesses. Most of the small-scale food sellers operate on a day-to-day cash flow basis of around 0.5 – 5.0 M Kip sales per day. If their cash flow declines because of dwindling sales, then it will be difficult for them to buy ingredients for the next day's food stock. Many small shops run by women are borrowing money from moneylenders requiring daily repayment.

46. The lack of male labor is a key issue for female headed households, if the road construction requires the owner of the household to remove any objects such as the fence, concrete pipes and some parts of their house or shop. These women headed households have to hire labor to do it, as some of them are living with old age parents, living with small children and some (13) are living alone. The socio-economic survey data found 12 single and 13 widowed women living alone, some of whom receive support from children living separately.

47. A request from old widows and single women was that the Project should include a health service or emergency service activity mainly during the construction period. Some people will be having trouble with noise from the construction works, smells of engines and machinery and dust, especially households with sick people would need to have quick access to hospital. The ambulances should be easy to access, some suggested having an ambulance stand by in each Kumban (cluster of villages). Survey results show that about 30% of female headed households and 27% of male headed households living along NR13N have someone visiting a hospital or clinic every 1-3 months for chronic illnesses: diabetes, blood pressure, heart disease and baby health care. Female-headed households

consistently made more health care visits than male-headed households, ranging from a 24% differential for the closest clinics to a 10% differential for the clinics located furthest away from their homes.

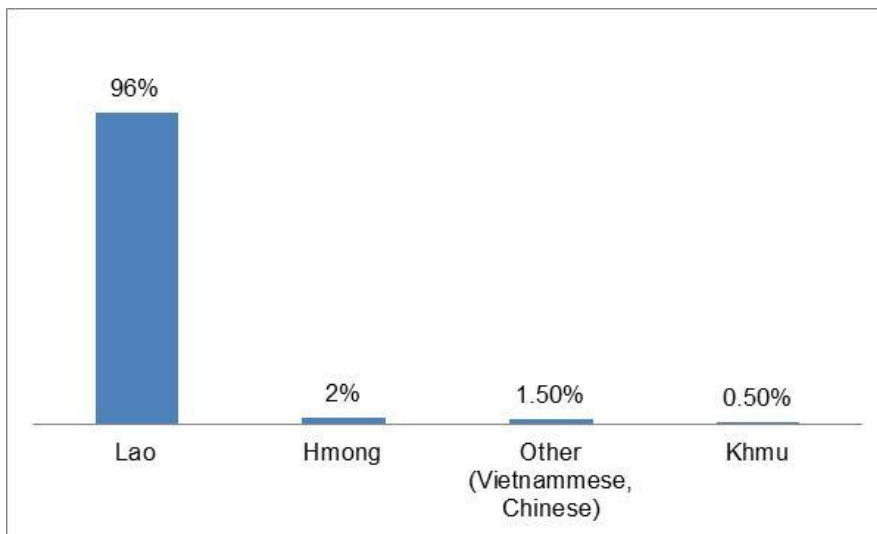
48. Some women who are living with aged parents suggested that the Project should include counselling activities, as some old people might not be able to cope with the situation of losing their house or land, and some might experience stress from noise and dust.

4.4.2 Indigenous Peoples

49. The potential affected ethnic households will be approximately 2,398 households of which 96% and 2% are the Lao Tai and Hmong ethnic groups respectively. The Khmu represent less than 1% of the affected households (AH) and the affected foreign households represent about 2%. Most affected foreign households are Chinese and Vietnamese business operators who rent premises adjacent to the road. Both Hmong and Khmu ethnic groups have been living in the area for more than 19 years on average and the Khmu group is well integrated into mainstream Lao society.

50. Among different ethnic groups, the highest rate of female headed households can be found amongst the Lao Tai group (21%) followed by the Hmong and Khmu that represent about 12 and 9 % respectively as shown in **Figure 1-1** below.

Figure 4-3: Ethnic background of the Heads of the PAHs



Source: Socio-Economic Survey (August 2017)

Table 4-11: Proposed Action

Main Themes	Issue / Concerns	Proposed action	Responsible person	When
Compensation	Lack of male labor for demolish and rebuild house/ shop	Provide cost for hiring labor	PMU/DOR	After identifying new resettlement site, land clearance and must be before the start of construction work
	Income lost for foods stores during construction due to dusk and difficult access	Compensate for daily incomes lost including payment of their loan interest charges.	PMU/DOR	After final DMS and must be before the start of construction work
	Not possible to find new place especially foods stores on roadside Lak 52	Assist in negotiating with the market owner in Lak 52 to allow the shops to move to current parking area. For bread shops it might be possible to move to PTT petrol station	Project Grievance Committee and PMU	Before the start of the construction work
Communication and Dissemination of legal procedures	Grievance procedures and committee	Include women village authority members in the grievance committee and set up a service desk at village office	Project Grievance Committee and PMU	Before the start of the construction work
	Limited knowledge about National Road law/ PM decree No 084	Conduct dissemination of important documents for interested women before the project starts	Project Grievance Committee and PMU	Before the start of the construction work
Emergency cases during construction	Old and illness people need to travel to hospital and clinic in VTE frequency	Set up a health care team for home visit to the household with old and illness people	PMU in collaboration with the District Health offices and rescue service providers	Before the start of the construction work
	Stress due to lost and noises during construction	Conduct counselling for household living with old and chronic illness people: heart conditions and shock	PMU in collaboration with the District Health offices	During the construction work
Safety	Access to market and shops during construction	Make sure of safety and convenience for temporary access in front of shops and restaurants	Contractors	During the construction work
	Accident after construction	Pedestrian crossing and traffic light in front of markets	PMU/DOR	During the construction work

² Bread sellers in Xaymoungkoun village and foods/fruit shop in front of the Lak 52 market.

5 LEGAL AND REGULATORY FRAMEWORK

51. The key legislation and policies of the Government of Lao PDR relevant to social safeguards for the Project include the following.

- Lao PDR Constitution, dated 1991, describing very generally among others the (a) socio-economic system, (b) fundamental rights and duties of citizens, (c) local administrations, and (d) judicial organs.
- Lao National Land Law, dated 2003, including among others (a) defining land use and land ownership, (b) describing land tenure system, (c) providing the regulation framework for compensation of land but also including relocation of people that are affected by development schemes.
- Lao National Road Law dated 1999, including among other (a) describing public roads and road activities, (b) defining management and land use for roads, (c) explanations to construction of roads and monitoring of roads' conditions.
- Decree No.192/PM of the Prime Minister, dated 7 July 2005, concerning the compensation and resettlement of people affected by development projects. This decree has been replaced by a new improved Decree No.699/PMO of the Prime Minister Office 12 March 2010 on Compensation and Resettlement of Development Projects. Decree No. 84 dated 05/04/2016 on Compensation and Resettlement Management in Development Project is meant to replace the Decree No. 192.
- Decree No. 84 provides principles, regulations and standards on the management, monitoring of compensation of losses and the management of resettlement activities in order to properly and effectively implement development projects with the aims to ensure that the affected people are compensated, resettled and are assisted with permanent livelihood alternatives leading to improving of living conditions to be better off or to be at the same level as they were before as well as to ensure that the projects can contribute to the socio-economic development of the nation in sustainable manners.
- Implementation Guideline for the Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Projects (No.2432/STEA, dated 11 November 2005), are currently assumed remaining valid and to be applied.
- Public Involvement Guideline by MONRE, 2012
- Ministerial Instruction No. 8030/MONRE on Environmental and Social Impact Assessment (ESIA) and Initial Environmental Examination (IEE) of Investment Project (2013)
- The Law on Handling of Petitions (Grievance Redress) No 035/President, revised and approved in 2015 provides objectives, principles and process of applying and handling different types of grievance, petition and complaints that may be raised PAPs by or those who believe they are PAPs. The Law on Handling of Petitions, which has superseded the old version dated November 5, 2005 applies and protects rights and interest of all citizens and entities, state organizations, community and individuals with the aim to ensure justice, social security and order.

52. The World Bank's Operational Policy 4.12: Involuntary Resettlement is triggered in situations involving involuntary taking of land and involuntary restrictions of access to legally

designated parks and protected areas. The policy aims to avoid involuntary resettlement to the extent feasible, or to minimize and mitigate its adverse social and economic impacts. It promotes participation of displaced people in resettlement planning and implementation, and its key economic objective is to assist displaced persons in their efforts to improve or at least restore their incomes and standards of living after displacement.

53. Law of Lao PDR address most requirements of WB’s Involuntary Resettlement Policy (OP/BP 4.12. The main objective of the project in relation to land acquisition is to the PAP and PAH to restore their livelihoods, at least, to the level equal to their pre-project level.

5.1 National Law and World Bank Policy Gap Analysis

54. The recent changes in legislation related to compensation and resettlement in development represents a significant improvement in the rights of citizens when their livelihoods, possessions and society are affected by development projects.

55. The Decree, similar to World Bank’s Involuntary Resettlement Policy (OP/BP 4.12), requires that APs are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not worse off than they would have been without the project.

56. Both Lao Law and World Bank policies entitle non-titled APs to compensation for affected land and non-land assets at replacement cost and other assistance so that they are not made worse off due to the Project.

57. However, definition of severely affected APs varies between World Bank’s policy at 10% and the Government’s Decree 192/PM (Article 8) at 20% of productive and/or income generating assets affected. The provisions of resettlement policies for other projects that have been agreed between Government and international donors (ADB and World Bank), the definition of severely affected – as people losing 10% or more of their productive or income generating assets – will be adopted as part of the Project’s resettlement policy.

58. Both the law (Decree 84) and World Bank policy require that if non-titled APs are required to relocate, the project will ensure they are provided replacement land at no cost to the APs, or cash sufficient to purchase replacement land.

59. Detailed gap analysis Lao PDR law and World Bank’s policy is summarized in **Table 5-1**.

Table 5-1: Gap analysis between Lao PDR 2016 Decree on Compensation and Resettlement of People Affected by Development Projects and the World Bank Involuntary Resettlement Policy (OP/BP 4.12)

Subjects	Compensation and Resettlement Decree No. 84/GOL (2016)	OP 4.12	GAP/Project Measures
I. Land Property			
1.1 Policy objective	PAPs are compensated and assisted to improve or maintain their pre-project incomes and living standards, and are not made worse off than they would have been without the project.	<i>PAPs should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the project, whichever is higher</i>	OP 4.12 Policy Procedures will be applied - cash compensation at replacement cost for land and structures will be paid without deduction for depreciation or salvageable materials. Also – income additional payments will be made to

			restore incomes, crops, trees as well as moving costs
1.2 Support for AHs with no legal possession of land they are occupying	PAP who do not have legal land title, land use certificate or other acceptable documentation indicating their land use right, including customary and traditional land use right, only provides the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and not land.	<i>Financial assistance to all project affected persons to achieve the policy objective (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre- displacement levels or to levels prevailing prior to the project, whichever is higher</i>	OP 4.12 Policy Procedures will be applied. PAPs who do not have legal title, land use certificates or other acceptable documentation indicating their land use right will still be entitled to Financial assistance to achieve the objective of the involuntary resettlement policy (to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre- displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher). Vulnerable PAPs will receive special assistance.
1.3 Compensation for illegal structure	PAP who do not have legal land title, land use certificate or other acceptable documentation indicating their land use right, including customary and traditional land use right, only provides the right to claim compensation for their lost assets such as house/structures, trees and/or crops, and not land.	<i>Compensation at full cost for all structures regardless of legal status of the PAP's land and structure.</i>	OP 4.12 Policy Procedures will be applied. Compensation at full replacement cost will be given for all structures affected, regardless of legal status of the land and structure. Provide moving allowance based on structure types.
II. Compensation			
2.1 Methods for determining compensation rate	<u>Article 2:</u> The compensation shall be in the form of land, material or money for the land, agricultural products, livestock and incomes that are affect by development projects based on compensation value. <u>Article 4:</u> Compensation value means the value calculated in the form of material, money or land, constructed facilities, agricultural products, livestock and incomes which have been affected by development projects <u>Article 9:</u> Project owners, in collaboration with the committee for compensation and resettlement at the local level, must estimate the	<i>Compensation for lost land and other assets should be paid at full replacement cost</i>	OP 4.12 Policy Procedures will be applied. <u>Land valuation:</u> <ul style="list-style-type: none"> • Reference to WB's study in October 2016, • Land value obtained from village heads • Land value obtained from those who recently sold their land prior to the survey <u>Lost structures valuation:</u> <ul style="list-style-type: none"> • Market price of replacement materials • Labor costs for dismantling • Labor costs for rebuilding/fixing • Transport costs for relocation Appraised by the Consultant for full replacement costs

	<p>value for compensation for land, constructed facilities, crop products, livestock and potential incomes and organize consultations with affected people by selecting the right and appropriate options based on prices applied by the state, market prices or average prices applicable for period of compensation and based on the types of properties and locations.</p> <p>The prices applied by the state (middle prices) are the prices specified in a separate regulation which are identified and regulated by the Ministry of Natural Resources and Environment from time to time.</p>		
2.2 Compensation for loss of income sources or means of livelihood	<p><u>Article 9:</u> Provision of agriculture land in appropriate ways including the creation of new livelihood options and stable income generation activities and promotion of local crafts/industry in addition to agricultural production activities for the affected people.</p>	<p><i>Loss of income sources should be compensated (whether or not the affected persons must move to another location)</i></p>	<p>Loss of income will be minor and it expected to be during the construction work. The most PAHs will be those that sell food along the road and may lose their customers due to access constraint and dust during the construction and thus:</p> <p>Loss of income of food stalls and restaurant during the construction:</p> <ul style="list-style-type: none"> • 3 months net income compensation
2.4 Livelihoods restoration and assistance	<p><u>Article 13:</u> In parallel with the establishment of resettlement plan as prescribed in article 10 of this decree, the project owner must coordinate with the compensation and settlement committee at the local level to collect information on livelihood and income generation matters of the affected people in details to establish the livelihood rehabilitation plan to contribute to the management and monitoring social and environmental impacts within the project development framework.</p>	<p><i>Provision of livelihood restoration and assistance to achieve the policy objectives</i></p>	<p>The disruption is expected to be minor, income restoration will be addressed on a case by case basis, with additional payments being made to restore incomes and livelihoods to pre-displacement rates</p>
2.5 Consultation and disclosure	<p><u>Article 5:</u> The compensation and resettlement shall be carried out in compliance with the following</p>	<p><i>Participation in planning and implementation, specially confirming the eligibility criteria for compensation and assistance, and access to</i></p>	<p>OP 4.12 Policy Procedures will be applied.</p> <p>Three consultation meetings have carried out during the preparation of this RAP. Continued consultation and</p>

	<p>principles:</p> <ul style="list-style-type: none"> • Protection of the rights and legitimate benefits of affected people; • Ensure equality, correctness, transparency, disclosure and fairness; • Ensure coordination, consultation and participation between the project owner, AP, state agencies and other relevant stakeholders 	<i>grievances redress mechanisms</i>	participation will be conducted during implementation of this RAP.
III. Grievance Redress Mechanism			
3.1 Procedures for recording and processing grievances	<p><u>Article 23:</u> In case the affected view that the project owner does not comply with the plan for compensation, resettlement and rehabilitation of people's livelihood in accordance with this decree or other related plans that affect their interests, they are entitled to request to related authorities to solve the request(s) according to the procedures stipulated in paragraph 1, article 24 of this decree.</p>	<i>Grievance redress mechanism should be under Government Officials Responsibilities for handling grievances with clear procedures for recording and processing grievances</i>	Grievances from PAP and PAHs in connection with the implementation of the RAP will be handled through negotiation with the aim of achieving consensus. Complaints will go through three stages before they may be elevated to a court of law as a last resort.
IV. Monitoring & Evaluation			
	<p><u>Article 27:</u> The project owner must set up a management unit of compensation and resettlement to take charge of monitoring and examination by himself other than other parties. The unit is obliged to make reports to the state audit-inspection organizations concerning the monitoring and examination of the implementation of the plan for compensation, allocation and relocation, and rehabilitation of people's livelihood of the development project as stipulated in the overall plan, at each period.</p>	<i>Internal and external independent monitoring are required</i>	The PMU in close coordination with Project Grievance Committee will conduct internal monitoring on resettlement implementation. The monitoring will include progress reports, status of the RAP implementation, information on location and numbers of people affected, compensation amounts paid by item, and assistance provided to PAHs. The report of monitoring results will be prepared by Project Grievance Committee and submitted to DOR and WB on a quarterly basis.

6 ELIGIBILITY AND ENTITLEMENTS

6.1 Objectives

60. The over-riding objective of resettlement planning is to ensure that all APs will be compensated for their losses at replacement cost, and provided with livelihood impact mitigation and rehabilitation measures to assist them to improve, or at least maintain, their pre-project living standards. Consistent with national law and WB's policy, the objectives of this RAP are (i) to avoid IR impacts wherever feasible; (ii) to minimize impacts where displacement (physical or economic) is unavoidable by choosing alternative viable project options; and (iii) where IR impacts are unavoidable, to enhance, or at least restore, the livelihoods of all APs in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable groups.

6.2 Resettlement Policies and Principles

6.2.1 Project Resettlement Policy

61. The resettlement policy for the Project is based on those formulated for other similar projects in Lao PDR which have been accepted by Government and World Bank, and the entitlements set out in Technical Guidelines on Compensation and Resettlement of People Affected by Development Projects (as revised in March 2010). The principles for mitigating IR impacts and that will apply to the Project are set out below.

- APs will be systematically informed and consulted on compensation and/or resettlement options, including relocation options/sites, and socio-economic rehabilitation measures, the acquisition of lands, assets and possible impacts on their livelihoods. They will be informed of their rights and options and be invited to participate actively in the identification of mitigation and rehabilitation measures;
- The APs are to be identified and recorded as early as possible in order to establish their eligibility through a population record or census that serves as an eligibility cut-off date, usually around the time of initial consultations, at the subproject identification stage, to prevent a subsequent influx of encroachers or others who wish to take advantage of such benefits;
- Eligible APs are entitled to compensation and livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels;
- In the consultation process, representatives of local governments, village heads, other community leaders and civil society organizations such as non-government organizations (NGOs) will be included. The customs and traditions, as well as the religious practices of all APs, will be respected and protected;
- Lack of formal legal rights to assets lost will not deprive any AP from receiving compensation and entitlements. Distinctions should not be made between APs "with" and "without" formal legal title;
- Particular attention must be paid to the needs of vulnerable APs. This group of APs may include those without legal or recognizable title to the land or other assets, households headed by females, the elderly or disabled, and other vulnerable groups. Appropriate assistance must be provided to help them improve their socio-economic status;

- An independent grievance redress mechanism, linked with existing traditional formal and informal systems (and cognizant of any cultural requirements), will be established to resolve IR related disputes and complaints from APs;
- Resettlement planning decisions will be preceded by a social preparation phase to enhance the participation of these APs in negotiation, planning, and implementation;
- Compensation rates for physical assets, i.e. land, houses, crops/trees, buildings and other structures, and non-physical assets such as lost income from productive assets or jobs, will be calculated at replacement cost and included in the RAP, these costs will be updated and adjusted as required at the time of compensation;
- APs who stand to lose only part of their physical assets will not be left with a proportion inadequate to sustain their current standard of living. Such a minimum size will be identified and agreed upon during the resettlement planning process;
- If the IR impacts are considered to be minor and do not undermine the livelihoods of APs, cash compensation at replacement costs will be offered. For severely affected people (i.e. those APs experiencing significant impacts) additional measures to ensure livelihood restoration, on top of compensation payments, will be identified in conjunction with APs;
- The full cost of IR will be included in the project cost and adequate budgetary support shall be made available during implementation;
- All land acquisition, compensation, resettlement and rehabilitation activities need to be satisfactorily completed and the Project area cleared of all obstructions before the commencement of civil works;
- All land acquisition, compensation, resettlement and rehabilitation activities need to be satisfactorily completed and the subproject areas cleared of all obstructions before the commencement of civil works; and
- Finally, the Project will not be implemented before this RAP is approved. The general process which includes:
 - Consultation – with APs relevant stakeholders, and whenever necessary, assistance of relevant institutions to ensure effective consultations. Consultations should assess whether there is broad community support for the subproject;
 - Undertake a participatory IOL that will be updated during a detailed measurement survey (DMS) following the detailed design. The initial survey will represent the cut-off date for eligibility;
 - When necessary, identification of livelihood restoration programs acceptable to the local community to be put in place to help people improve, or at least restore, incomes to pre-project levels;
 - Determination of replacement cost – for APs losing assets (land, physical assets, means of livelihood, or social support systems), they will be compensated and assisted by replacement land, housing, infrastructure, resources, income sources, and services, in cash or in kind depending on the type of loss to ensure that their economic and social circumstances will be at least restored to the pre-project level. All compensation will be based on the principle of replacement cost at current market value;

- Preparing a cost estimate and budget – including the costs of compensation, relocation and rehabilitation, social preparation and livelihood restoration programs. The budget will also include the costs for planning, management, supervision, monitoring and evaluation, land taxes, land fees, physical and price contingencies, and implementation;
- Inclusion of a monitoring system - appropriate reporting and monitoring and evaluation will be established as part of the resettlement management system.

6.2.2 Affected Persons and Eligibility

62. The definition of APs and affected households (AHs) for the Project is as per Decree 84 and WB's Operational Policy on Involuntary Resettlement which includes any person, household, entity or organization, affected by a project, who in the context of acquisition of assets, or change in land use, would have their: (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house, land (including residential, commercial, agricultural, plantations, forest, and grazing land), water resources, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily adversely affected; (iii) business, occupation, place of work or residence areas adversely affected with or without displacement; or (iv) community resources adversely affected.

63. Under Decree 84, all individuals and entities residing, or making a living, within an area to be acquired for the Project - as of the formally recognized cut-off date - would be considered as eligible for entitlement to compensation, resettlement and livelihood restoration/rehabilitation assistance. People who are not living within the Project area, but have land and/or buildings or other assets in the Project area, are also considered to be entitled to compensation, resettlement and rehabilitation assistance.

64. The APs eligible for compensation and assistance under the Project include the following:

- Those APs whose land is affected (permanently or temporarily) by the Project, whether they own or have title to the land or not including; (a) those who have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); (b) those who do not have formal legal rights to land at the time the census, but have a claim to such land or assets - provided that such claims are recognized under the laws of the country or become recognized through a process identified in the resettlement plan; and (c) those who have no recognizable legal right or claim to the land they are occupying (non-titled users);
- Those APs whose houses or structures are in part, or in total, affected temporarily or permanently by a subproject;
- Those APs whose businesses are affected in part, or in total, (temporarily or permanently) by the Project;
- Those APs whose livelihoods, employment or hired labor is affected, temporarily or permanently, by the Project; and
- Those APs whose crops (annual and perennial) and/or trees are affected in part, or in total, by the Project.

65. By definition, it is these APs and/or AHs who are entitled to compensation and rehabilitation. However, acquisition, or restrictions placed on use, of particular land or assets may affect more than one AH. For example, when the land is owned by one AH but used to

gain a livelihood by another different AH (who is usually paying some type of rent to the owner) then there are two eligible AHs for this one asset. Thus, eligibility is based on: (a) ownership; and (b) use.

6.2.3 Basic Entitlement

66. The entitlements to compensation and assistance to be provided under the Project are consistent with those accepted by the Government in other ODA projects developed in Lao PDR in recent years.

67. As set out above, absence of legal or formal title to land is not a barrier to compensation. Both male and female APs of different ethnic groups will be equally consulted and their rights recognized. Negotiations, compensation payments, and livelihood restoration, will be with/to both male and female head of each household. APs who do not have formal legal rights or customary or recognizable rights to land are not eligible for compensation for land acquired under the project, but will receive compensation for assets attached to land and other assistance as required to meet the objectives of the World Bank's policy on involuntary resettlement. Households headed by single women with dependents and other vulnerable households will be eligible for further assistance to fully mitigate project impacts.

68. As a priority, compensation for land, wherever possible and practicable, will be based on the principle of "land-for-land" of equal size and/or productive capacity, as satisfactory to APs. However, at the request of APs, compensation for loss of land can also be paid in cash equivalent to the current market value of lost land. If the head of household is married, land title for new land will be issued in the names of both the husband and wife. APs will not be charged for taxes, registration, land transfer costs, or any other transaction costs.

69. Any assets (structure, crops, trees, etc.) requiring removal by a subproject will be compensated at market value which will include the cost of harvest foregone, and replacement cost at current market value for any structures (including houses, shops and stalls, etc.) requiring removal. The value of any timber or fruit from trees or items from structures that can be salvaged (bricks, wood, timber, corrugated iron, etc.) will not be deducted from the compensation the AP is entitled to. APs will also be given advance notice to harvest crops and trees.

6.2.4 Special Assistance and Allowances

70. In addition to compensation at replacement cost at current market value for lost and affected assets, APs will be entitled to additional measures to assist in restoring, rehabilitating, and if possible, improving, their standard of living and well-being.

71. As set out in Articles 15 and 16 of Decree 84, such additional assistance may come in the form of:

Relocation Assistance and Transition Support

72. Any APs to be displaced and/or affected due to the loss of income and livelihood shall be provided the following assistance until their income levels and living conditions can be stabilized: (a) transport allowance or assistance in-kind to transfer to the new site (or place of their choice); (b) food allowance, in cash or in-kind (to be provided on a monthly basis), to compensate for income lost, during the transition period; (c) suitable development assistance after displacement until AHs are able to restore their incomes and living standards, or reach the targeted level of household incomes on a sustainable basis.

Economic Rehabilitation.

73. In addition to compensation, and measures as set out above, APs will be entitled to assistance to ensure economic rehabilitation/restoration and livelihood development support in cases where compensation for lost assets alone would not be adequate to restore income and/or livelihoods.

74. Such measures will be available to: (a) all APs severely affected by the project due to loss of 10% or more of productive income generating assets (loss of agricultural, industrial or commercial land), means of livelihood, employment or business, and access to community resources shall be entitled to income restoration measures, in addition to compensation and other allowances, enabling them to attain - at a minimum - pre-project livelihood levels; (b) for displaced persons whose land-based livelihoods are affected due to the project, preference shall be given to land-based resettlement strategies, or where land is not available, options built around opportunities for employment or self-employment; (c) for displaced persons whose businesses are affected due to the project, in addition to compensation for lost land, structures, and income, assistance shall be given to finding replacement sites for business as appropriate; and (d) rehabilitation measures will focus on vulnerable groups.

75. Adequate assistance, in addition to compensation for affected assets and other allowances, shall be provided to enable such APs to achieve household income targets set above the national poverty line. The assistance, restoration measures, and allowances that will apply to the Project are also included in the entitlement matrix below (Table 7-1).

7 COMPENSATION MEASURES

76. Land acquisition will not be required for ancillary activities such as borrow pits and quarry sites. It has been confirmed by MPWT that the contractors will deal with existing suppliers to purchase the materials at market rates. For agricultural and residential land to be temporarily used by the civil works contractor as borrow pit, by-pass routes, camping for contractors workers or for contractor's working space, arrangement and procedures are described in the Table 7-1: NR13N Entitlement Matrix, item F1.

77. All 11,536 PAPs are entitled to the various entitlements for losses anticipated under the Project and compensation measures set out in the following matrix (Table 7-3)

78. The new land titles will be issued for the affected lands with the assistance of DONRE that also represent in the project resettlement committee of each province. The process and agencies involved in issuing the new land title is summarized in the following table.

Table 7-2: Process for Issuing New Land Title

No.	Steps	Responsible agency
1	Final identification of the affected area based on the final DMS	MPWT, resettlement and grievance committees with the presence of the APs
2	Measurement of the remaining land	DONRE and village authorities with the presence of the APs
3	Cadastral mapping	DONRE
4	Drawing of new land area	DONRE
5	New land parcel demarcation	DONRE and village authorities with the presence of the APs
6	Issuing of new land title	Land Management Office under PONRE
7	Settlement of the costs for issuing land title	MPWT (the budget is included in the contingency cost for compensation)
8	Handover of new land title to the AHs	PONRE, resettlement and grievance Committee

Table 7-3: NR13N Entitlement Matrix

Impact	Application	Definition of AP	Entitlement	Expected Result
A. LOSS OF LAND OR USE OF LAND				
PERMANENT loss of RESIDENTIAL or HOMESTEAD land	Land other than Productive land Belonging to households and/or families	Legal owner or occupant identified during the DMS survey	<ul style="list-style-type: none"> (i) For non-relocating households - cash compensation for the affected portion of the land (any affected structures will be compensated as per item C. (ii) For 3 PAHs (PAPs: 119, 163, 279) that will lose most of their land holdings in Naxaythong district – replacement land equivalent to the size or productive value the land lost or cash compensation for the affected land (iii) For 8 relocating households (PAPs: 90, 91, 356, 615, 671, 2782, 2532, 2947) in Naxaythog District - replacement land equivalent to the size or productive value the land lost to be prepared suitable for house and other buildings with construction at the expense of the Project; (iv) Cash compensation for difference in area/size of land lost and new plot issued; (v) Replacement land with title in name of husband and wife will be given to the AHs; (vi) Registration and/or land transfer fees will be paid by the Project; (vii) Relocating APs will receive a transportation allowance (household effects and salvage materials etc.). 	<p>Non- livelihood impacts compensated;</p> <p>Additional assistance provided for APs selecting cash options;</p> <p>Security of tenure through title to land (in names of both husband and wife);</p> <p>Eight relocating households entitled to allowances as per item C;</p> <p>Voluntary land and asset donation, if agreed and applied will follow the process in accordance with WB’s Operational Policy.</p> <p>The strip of land that can be donated cannot be more than 5% of the total land area; and (iii) there are no houses, structures or fixed assets on the affected portion of land.</p>
PERMANENT loss of AGRICULTURAL or GARDEN land	Productive land from which Aps or AHs derive a livelihood from either cash income or subsistence	Non-relocating AHs and non-severely affected owners who lose LESS than 10% of their productive (cash and imputed income generating) land	<ul style="list-style-type: none"> (i) If preferred by the APs, cash compensation for the lost portion of the land at current market value; (ii) 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 (assuming Land Titles are issued in the area). If not, land use certificate to be issued. Alternatively, at the request of PAP or PAH, cash compensation at replacement cost plus assistance to purchase and register land; 	<p>No residual impacts following completion of Project,</p> <p>Compensation provided or suitable alternative land identified and prepared for APs.</p> <p>AP will be given 3 months notice to harvest or to settle</p>

		assets	<ul style="list-style-type: none"> (iii) For those APs not opting for cash, compensation will be through provision of “land for land” of equal productive capacity and in a location satisfactory to the AP. Land will be cleared, leveled and otherwise prepared for cultivation at the expense of Project; (iv) If crops or trees are lost, then compensation for loss of crops and trees will be in cash at market values and compensation for from subsequent crops that cannot be planted as per Item B. (v) If income business operation are lost then compensation for loss of income will be in cash as per item C. <p>Compensation for affected agricultural or business operating structures will be as per Item C.</p>	<p>new business operation; Land will be prepared for cultivation/business operation at Project costs; Voluntary donation will follow the process in accordance with WB’s Operational Policy, if agreed and applied. The strip of land that can be donated cannot be more than 5% of the total land area;</p>
		Non-relocating AHs and non-severely affected legal users of land (renters, or lease holders), non-titled land users who lose LESS than 10% of the productive land they are using	<ul style="list-style-type: none"> (i) No compensation for land; (ii) Any impacts on the use of the land, or income or livelihood derived from land affected by the loss will be compensated up to the value, or according to the utility, of that loss; (iii) If AH has paid rent or lease charges in advance, the Project will reimburse the AH for the period of rent or lease foregone, without deductions. If the AH is charged a penalty for early lapsing of the rent or lease agreement, this will be paid for by the Project; and (iv) If crops or trees are lost, then compensation for loss of crops and trees will be in cash at market values and compensation for from subsequent crops that cannot be planted as per Item B. (v) If income from business operation are lost then compensation for loss of net income will be in cash as per item C. <p>Compensation for affected agricultural or business operating structures will be as per Item C.</p>	
B. LOSS OF CROPS AND TREES				
B.1: Loss of productive trees,	Standing crops and productive trees		(i) Affected crops are insignificant as they seasonal kitchen garden crops such as mints, lemon grass, chili	Advance notice to harvest;

crops, perennials	removed		and the PAHs are willing to contribute to the project; (ii) Compensation of affected fruit trees is based on the annual value of the produce multiplied by three years;	Compensation for productive trees.
C. LOSS OF STRUCTURES AND FIXED ASSETS				
C.1: Partial or total removal of structure (house or any other building or structure)	Structures (residential, commercial or other)	Owners of structures (whether customary or having legal title to land or not)	(i) For non-relocating households: compensation in cash for all affected structures at 100% of the full replacement cost for structure at current market prices; (ii) Compensation and assistance will be provided in the form of cash without any deductions for depreciation or salvageable materials. The calculation of rates will be based on the actual affected area and not the useable area; (iii) For 8 relocating households: a cash compensation at market price for building of a new house or a replacement house of equivalent or better size and standard at the resettlement site, and compensation in cash for additional structures affected and not provided at the new site; (iv) Transport/relocation allowance, as per Item E.	
D. LIVELIHOOD IMPACTS				
D.1: Livelihood Impacts incl. impact on small business or shops	Loss of income and Business or other productive assets during relocation or during dismantling/repair of affected portion (without relocation)	Owners of shops, businesses	(i) Cash compensation for lost business structure reflecting full replacement cost of the structures, without depreciation or deductions for salvaged building material (as per Item C); (ii) Cash compensation for the loss of income during the transition or re-establishment period, based on net monthly income multiplied by at least 3 months or longer based on the period for the settlement at the new location; and (iii) Transport/relocation allowance, stabilization allowances as per Item E.	Livelihood restoration; Support during business re-establishment
E. ALLOWANCES, ASSISTANCE, AND LIVELIHOOD RESTORATION				
E.1: Relocation to the new site	Transport and relocation allowance	8 relocating AHs	All 8 relocating AHs (residential) shall receive a lump sum allowance equivalent to actual costs of relocation and shifting household assets to the new site (transport hires,	AHs do not bear the cost of physical relocation

			labors, etc.)	
E.2: Transition at new site	AHs required to relocate to resettlement site or other	8 relocating AHs	In addition to the allowance as per Item E.1 above, an additional disturbance allowance of 1-month supply of rice per person in the household with the allowance equivalent to 16 kg of rice at current market price	
E.3: Transition at new site	AHs with business required to relocate to resettlement site or other	3 AHs amongst the 8 relocating households	3 relocating households with the attached business (PAPs: 615, 671, 2782) shall receive cash compensation equivalent to at least 3 months of net income or longer for reestablishment of the affected businesses	AHs with businesses are able to re-establish their businesses.
E.4: Impacts on vulnerable APs	Any loss or impact; significant impacts on non-relocating APs	81 Vulnerable households as identified in Error! Reference source not found.	(i) An additional allowance of 1-month supply of rice per person in the household with the allowance equivalent to 16 kg of rice at current market price. (ii) The contractor will be required make all reasonable efforts to recruit severely affected and vulnerable PAP as laborers for road construction works.	Improved livelihoods
F. TEMPORARY IMPACT DURING THE CONSTRUCTION				
F1: Temporary use of land	Entrance to business establishments, houses, borrow pit, worker camps, etc.	Legal owners or occupants	For agricultural and residential land to be used by the civil works contractor as borrow pit, by-pass routes or for contractor's working space: (i) rent to be agreed between the landowner and the civil works contractor but should not be less than the unrealized income and revenue that could be generated by the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g., structures, trees, crops); and (iii) restoration of the temporarily used land within 1 month after removal of equipment and materials from contractor's working space subject to the conditions agreed between the landowner and the civil works contractor.	The landowner is adequately informed about of his/her rights and entitlements as per the project resettlement policy; Agreement reached between the landowner and the civil works contractor are carried out. The agreement will be signed and witnessed by the village authority and resettlement committee.
F2: Impacts to public infrastructure	Electricity, telecommunication poles, drainage canals, local	Management bodies	(i) Poles: cash compensation for cost to dismantle, transfer and rebuild for poles Canals and access roads: covered by engineering work. Construction contractors	Affected public infrastructure facilities area restored to the same condition as before the

facilities	feeder roads		are responsible for restoration. (ii) Contract term for contractors to restore damaged canals and access roads before completion of all construction works	road construction.
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8 LIVELIHOOD RESTORATION MEASURES

79. All eligible APs are entitled to livelihood rehabilitation measures sufficient to assist them to improve or at least maintain their pre-project living standards, income earning capacity and production levels.

80. The 8 households to be relocated will be assisted with disturbance allowance equivalent to 16 kg of rice per person in the household for the duration of one month to help them establish in the new location. All of them have asked for cash compensation to get their new houses on their own as they have another plot of land for building their new houses.

81. Five of the 8 households expected to be relocated, 2 household heads are government officers, 1 household head is a business man, 1 is a farmer/daily worker during off season and the last one is a widow living with 3 grown up children: one is a police officer, a daily worker and a student. One affected household has already started building a new house.

82. Among the 8 relocating households, 3 households that run shops will be permanently dislocated: the first is a dress making shop, the second sells consumable goods and the third sells agricultural equipment. These households will be assisted with at least 3 months of cash compensation equal to their actual net income to re-establish their businesses at the new locations, or a longer period of cash compensation based on their actual ability to re-establish their business. Based on the final phone interview with these 3 affected households, the dress making shop owner plans to re-establish her business on the remaining affected land parcel which is about 25 square meters, and she requested cash compensation. The second retail shop owner also asked for cash compensation as he wants to find a good location by himself to reestablish his business. The last owner plans to move to the Hadkiang/Thongmang area to re-establish her business, and she also asked for cash compensation.

83. During the construction phase, about 192 shops and stalls that sell food will suffer certain amount of income losses, as they may lose their customers due to construction work and access constraints. These shops will receive compensation of at least 3 months net income calculated based on their actual monthly net income or compensation for longer period based on the length of the actual disturbance during the construction.

84. Eighty-one vulnerable households in the Project area are identified in **Table 4-10**. They are the following groups of households:

- Divorced or widowed female headed households with dependents and low income between 240,000 to 500,000 Kip per month per capita;
- Households with disabled or invalid persons and with low income between 240,000 to 500,000 Kip per month per capita;
- Households with persons falling under the government poverty line of 240,000 Kip per month per person; and
- Elderly households with no means of support and with low income between 240,000 to 500,000 Kip per month per capita.

85. Although these vulnerable households do not fall among the 8 severely affected households to be relocated, they will need special support for livelihood assistance or to have access to the work associated with the construction work of the Project. Thus special measures, additional to the compensation entitlements, aimed to improve their status to bring them up to an acceptable level above the poverty line will be applied for the vulnerable group.

86. The measures focus on avoiding potential social risks and are organized around the themes that include: a) reducing barriers to access to markets, trading and employment opportunities; b) empowerment through good governance, sound participatory processes and effective organization of the poor; and c) reducing vulnerability to poverty through building social assets (such as an allowance of 1 month supply of rice per person in the household with the allowance equivalent to 16 kg of rice at current market price and increased security of tenure).

9 RESETTLEMENT MEASURES

87. The following resettlement measures will be applied for 8 relocating households:

- Relocating households must be consulted on the location of the replacement land and visit the new resettlement site;
- Replacement land must be equivalent to the size of the land lost for house construction. If the value of replacement land is less than the affected land, cash compensation for difference in area/size of land lost and new plot of land will be issued;
- Costs for issuance of land title, house building certificates must be the responsibility of the Project and included in the RAP;
- Title of replacement land must be issued in the names of both husband and wife;
- A replacement house of equivalent or better size and standard at the resettlement site, and compensation in cash for additional structures affected and not provided at the new site;
- Dismantling, transport, relocation and disturbance allowance must be paid to the relocating households;
- Relocating households can make the decision whether to ask for cash compensation equivalent to the current market value of land and house lost with no depreciation as well as transport allowance.

10 CONSULTATION, PARTICIPATION AND DISCLOSURE

88. During the preparation of this RAP, consultation has been undertaken at various levels with the district and village authorities and the affected people and it will continue throughout the Project. Separate consultation meetings were held by the environmental team, ethnic minority and gender teams. A summary of the draft RAP was presented and discussed at the second round of meetings in September 2017. At the end of the meetings, participants were asked to express their support (or otherwise) for the project. **Table 10-1** below summarizes the meetings jointly attended by the social, RAP and the environmental teams. The summary of the Minutes of consultation meetings and detailed list of participants are in Annex 9.

Table 10-1: Locations and Participants of Consultation Meetings

Dates	Meeting Locations	Male	Female	Lao	Hmong	Khmu
May 2017	Naxaythong and Phonhong District Administrative offices	91	32	122	1	0
Jun-Jul 2017	All 44 affected villages	1,001	1,039	2,006	34	0
Sep 2017	School in Sikeut and Meeting Hall in Phonhong Village	263	245	493	7	8
Total		1,335	1,316	2,621	42	8

Source: Consultation meetings (May to September 2017)

89. In addition to these meetings, DMS and social economic surveys were carried out with the affected people to identify the affected households, the natures of losses and to collect demographic, education, mobility data and household economic data for the development of this RAP.

11 GRIEVANCE REDRESS MECHANISM

90. Due to differing perceptions, values, objectives and responsibilities among different stakeholders, a range of conflicts may occur among and between affected people, resettled villages, district authorities, central government and others. Obviously, avoidance is preferable to resolution, but that is not always possible. While the consultative and participatory nature of the impact assessments and RAP are aimed at reducing disagreements and conflicting positions, in instances where disagreements do occur, it is important that they are resolved quickly before positions harden and the conflict escalates. The earlier that discord is recognized and dealt with, the higher the chance of a successful outcome. Grievances related to environmental and social issues from directly or indirectly affected ethnic groups as a result of implementation of the project will be resolved by the Grievance Redress Committee (GRC) through the project grievance redress mechanism

91. Article 23 and 24 of the C&R Decree (No. 84/GOL, 2016) requires the project to establish an effective mechanism for grievance resolution. The decree requires that the project proponent, MPWT/DOR/PMU, is responsible for setting up the grievance redress mechanism and to take actions to resolve issues.

92. Two consultations with PAP on the environment and social impacts have been taken place early in the process of the project planning. Foreseen social and environmental impacts identified during the two consultation meetings and proposed mitigation measures are summarized in the **Table 11-1: Adverse impacts and mitigation measures**.

Table 11-1: Adverse impacts and mitigation measures

Impacts	Mitigation measures	Implementing agency	Supervising or Monitoring Agency
Uncertainty of the information on land acquisition	<ul style="list-style-type: none"> The project has already carried out land use survey within 23 meters width along the existing road from Ban Xaymongkhoun to Ban Songpuay and 16 meters width Ban Songpuay to Ban Phonhong 	ESIA Survey Firm	Division of Environment Research and Disaster Protection, Public Works and Transport Research Institute, MPWT
	<ul style="list-style-type: none"> List of potential affected households and types of impacted assets have been identified 	ESIA Survey Firm	Division of Environment Research and Disaster Protection, Public Works and Transport Research Institute, MPWT
	<ul style="list-style-type: none"> 2 consultation meetings have been carried out with the potential affected households 	ESIA Survey Firm	Division of Environment Research and Disaster Protection, Public Works and Transport Research Institute, MPWT
	<ul style="list-style-type: none"> To carry out detailed measurement survey for finalizing the list of AHs 	PMU	District/Provincial Grievance Committees
Land take, loss of trees and cash crops and livelihoods	<ul style="list-style-type: none"> RAP developed 	ESIA Survey Firm	Division of Environment, MPWT
	<ul style="list-style-type: none"> Finalize IOL for compensation of the actual loss 	PMU	MPWT/DOR
	<ul style="list-style-type: none"> Payment of compensation of the actual loss 	PMU	Provincial Grievance Committee
Temporary land occupation	<ul style="list-style-type: none"> If potential adverse economic, social, or environmental impacts from the road construction activities other than land acquisition (including restrictions on land use, or on access to commercial buildings, gas station, workshops) have been identified, such as loss of access to assets or resources or restriction on land use, they will be mitigated, or compensated for. The Project has developed a management plan to restore the livelihood of affected persons to at least pre-project level or better. The occupation time of land temporarily acquired for constructional purposes will be minimized Since the temporary access will only be used during the construction, compensation will be in the form of payment for loss of income the original functions of such land will be restored in a timely manner after they are no longer occupied 	Contractor	Consulting Company PMU VGC D/PGC

Impacts	Mitigation measures	Implementing agency	Supervising or Monitoring Agency
	<ul style="list-style-type: none"> Soil fertility, if agricultural land, after use post construction should be tested. If the quality of the soil is affected, the land should be replaced either by land or be compensated with cash for fertility loss Consultation must be undertaken with the potential affected households and village administration regarding the placement of fill and spoil within village boundaries 		
Traffic accidents	Workers will be on duty on or near heavy movement of construction vehicles, or heavy construction vehicle traffic through the villages to ensure safety	Contractor	Consulting Company PMU VGC
	<ul style="list-style-type: none"> Installation of warning signs and signals along the potential danger sections 	Contractor	As above
	<ul style="list-style-type: none"> Regular dissemination of traffic safety to school children and in the communities 	Contractor	As above
Dust Pollution	<ul style="list-style-type: none"> Appropriate dust protection measures such as water sprinkling operations, SBST (Single Bituminous Surface Treatment), etc., to be carried out. 	Contractor	Consulting Company PMU VGC
Noise pollution	<ul style="list-style-type: none"> Equipment generating low levels of noise will be utilized as a first priority, and all machinery will be properly maintained to minimize noise. Noise reduction devices or methods will be applied where heavy machines is operating close to the sensitive sites such as schools 	Contractor	Consulting Company PMU VGC
In-migration by outsiders and construction workers	<ul style="list-style-type: none"> Posters will be placed in and around the construction sites for control of diseases, for not only construction workers but also villagers and others in the area. Provide disease prevention and control training to construction workers, particularly epidemic diseases such as HIV, H1N1 during the construction. Leaflets, HIV/AIDS awareness raising meetings will be organized in coordination with the provincial Committee for Control of HIV/AIDS in the affected villages 	Contractor in collaboration with the District Health Offices	Consulting Company PMU VGC D/PGC

93. Prior to project commencement, village leaders have participated in the survey of directly affected people's land, assets and livelihoods. Prior to the construction the village leaders together with PMU will continue to meaningful consultation with affected groups, including businesses and PAP and PAHs to further discuss options in the case of land acquisition and land donation. The whole process will be well documented. All complaints and grievances will be received in writing, or if given verbally then written at the same time and place, from PAP and PAH and duly recorded by each level of the grievance committee (See forms A to F in the Annex 7). PAP and PAHs will be exempted from all administrative and legal fees incurred pursuant to the grievance redress procedures.

94. Two Grievance committees have been set up and approved in August and July 2017 by the Mayor of Vientiane Capital and Governor of Vientiane Province respectively. The committee members in each district composed of the following parties:

- Deputy Chief of the District
- Deputy Director of DPWT of both Vientiane Capital and Vientiane Province
- Head of District PWT Office
- Head of District Office for Natural Resources and Environment
- Head of District Agriculture and Forestry
- Chairman of District Lao Front for National Construction
- Chairman of District Lao Women Union

95. The role and responsibilities identified in the directions for the establishment of the grievance committees in each district include:

- Coordination with MPWT, village authorities and other concerned parties to create awareness of the APs on the project purposes and to mobilize for cooperation with the project
- Monitor compensation of the affected lands, structures and crops
- Coordinate with the project officers in monitoring of compensation payment of the affected land, structures and crops approved by the government
- Resolve grievances, problems and settle compensations according to legal frameworks and security
- Report periodically on the compensation implementation to the higher authorities and to seek guidance.

96. Village Grievance Committee (VGC) also will be established in every affected village that will be composed of the following parties:

- Village Chief
- Village authority member, who is responsible for the economic/tax collection issues
- Village Lao Women's Union
- Village Front for National Construction
- Two Representatives from the APs (one man and one woman)
- Two representatives from the ethnic APs (in the villages where there are ethnic APs)

97. A hot line and complaint boxes in each village will also be set up for the AP to raise their grievance directly with the Project Implementing Agency, and the contact information of the Implementing Agency social specialist will be included in posters and brochures distributed throughout the communities on how to file a complaint related to compensation and resettlement in particular, and the project in general. The costs for setting up and

running the hot line and complaint boxes will be covered under the project preparation budget.

98. While every effort will be made to resolve conflicts by mutual agreement of the parties involved, in some cases, arbitration and adjudication on disagreements and conflicts by an external mediator will be required and it is under the responsibility of PMU to find the suitable independent agency. If an AP, AH or group is not satisfied with, or has a complaint about, an aspect of the environmental impacts, resettlement or compensation package, or if for any reason the compensation does not materialize according to the procedures set out in the RAP and as agreed between the AP and Project Management Unit (PMU), the AP have the right to make a claim.

99. The various phases or stages of conflict development and appropriate interventions are summarized in **Table 11-2**.

Table 11-2: Phases of Conflict and Possible Interventions

Stage	Intervention
Conflict avoidance	Consultation & participation in planning, decision making
Simple disagreements	Informal negotiation, discussion and mediation
Early conflict development	Reference to village leaders and VRC (also project implementing agency)
Conflicting positions taken	Reference to district/provincial level committees (also project implementing agency)
Intractable conflict	Refer conflict to Mediation, Provincial or National Court

100. To ensure that the basic rights and interests of APs are protected, that their concerns are adequately addressed, and that entitlements are delivered in full and in a timely manner, a grievance procedure has been designed for the Project and is outlined below. There are basic steps to resolve grievances, as described below.

101. **Step One** – the first step is for the AP or a group of households to approach the VRC which is chaired by the village chief and present the grievance. Various village leaders and members of VRC can be involved in helping resolve grievances at the village level, as shown in **Table 11-3: Village Level Resettlement Tasks and Responsibilities**. In most cases, issues can be resolved through discussions and mediation at this level. At village level resolving a grievance should take between 1 to 3 days.

Table 11-3: Village Level Resettlement Tasks and Responsibilities

Specific Task	Responsible person
Provide information and other required data to DMS Team	Village chiefs
Certify AP and AH and submit the affected lists to DMS Team	
Provide information and other required data to DMS Team	
Certify AP and AH and submit the affected lists to DMS Team	
Assist the DMS Team in data collection from affected AP and AH	Deputy village chief (responsible for land tax collection) along with VGC members and the APs
Assist the DMS Team in identifying and entitlement of AP and AH	
Assist in grievance redresses and identification	
Represent APs and AHs in grievance resolutions	
Mobilize assistance to APs and AHs	
Participate in monitoring and evaluation	

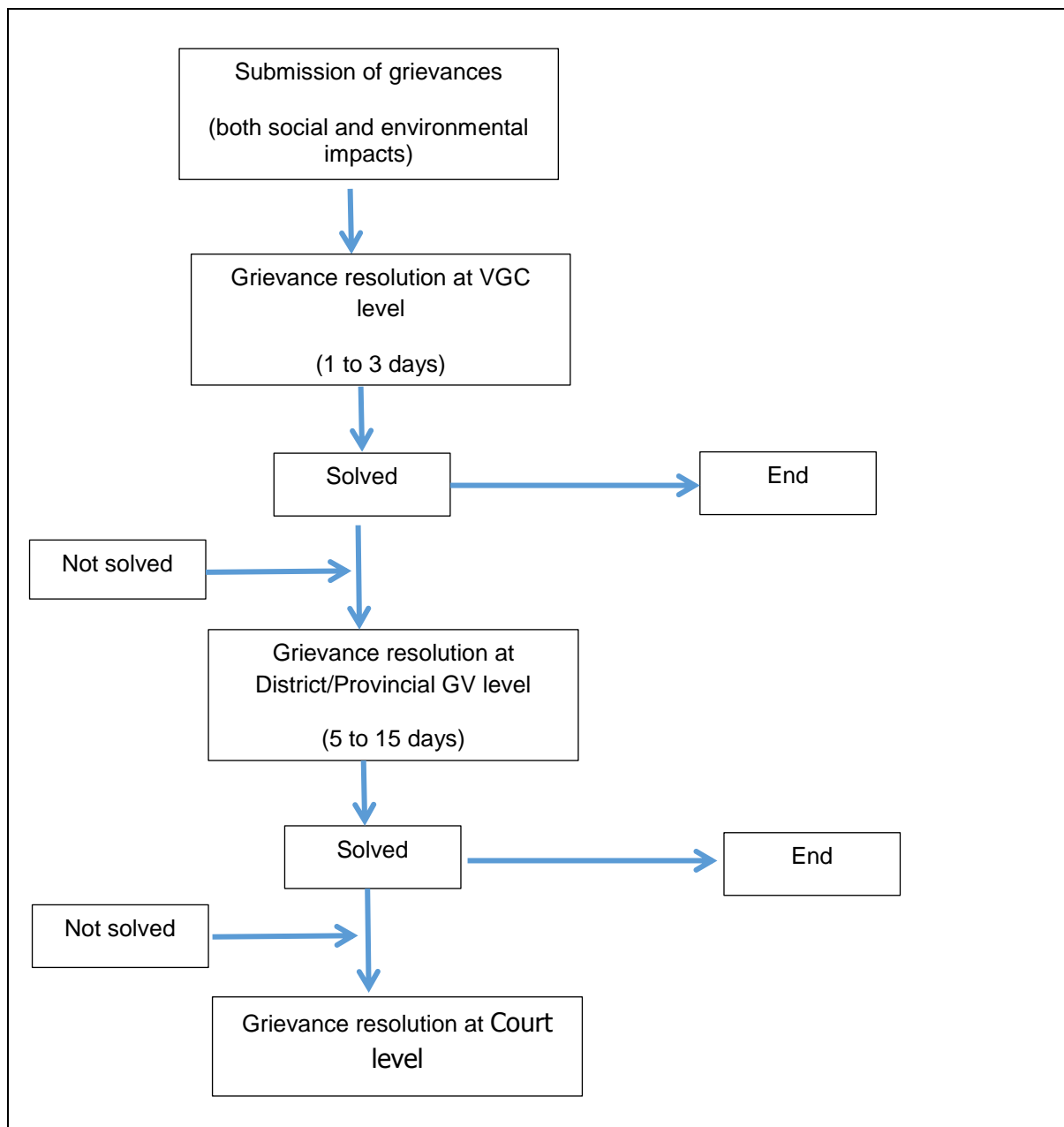
102. If the complaint or grievance could not be resolved at village level, or if the claimant was not satisfied with the decision, the next step can be taken, either by the claimant or the VGC on his/her behalf to the district level.

103. **Step Two** – the next step is to present the grievance or complaint at the district level. This will be to the District/Provincial Grievance Committee (D/PGC) which is chaired by the Deputy Chief of the District. At this level the grievance should be addressed within 5 to 15 days. If the D/PGC cannot resolve the matter or the AP is not satisfied with the proposal of the D/PGC, the AP may take the case to the next level.

104. **Step Three** – the third step is access to the court system. It should be noted that the PAP/PAH always has the option of going to court at any stage in the process. In the first instance the case or grievance will be presented to District and Provincial Court. It will be in the interest of the MPWT/DOR/PMU, D/PRC, and affected parties to resolve issues before they are brought to the District and Provincial Court. If the grievance can still not be resolved, or the AP is not yet satisfied with the findings, the second instance is for the claimant to present the case at National Court. Access to the courts is obviously a last resort. At the district level MPWT/DOR/PMU would be primary witnesses in order to both: (i) respond to the claimants grievance in terms of prior activities undertaken, etc.; and, (ii) ensure that the claim is reviewed within the context of the existing policy, regulations, procedures and entitlement limits, and that the compensation awarded does not go beyond established matter of practice. The findings of the committee will be obligatory. The D/PGC and PMU must maintain a log book showing all complaints and grievances received and the decisions made. These records will be monitored as part of both internal and external monitoring procedures. The D/PGC must respond to any complaint or claim between 15 and 30 days.

105. MPWT/DOR/PMU will be responsible for meeting the administrative and legal costs that will be incurred in the resolution of complaints and grievances. If the grievance relates to a dispute over the valuation of an asset to be acquired, then the MPWT/DOR/PMU will use an additional independent assessor to inform the decision of the relevant grievance redress committee. The grievance redress committees will function, for the benefit of PAP and PAH, during the entire life of the project, including the defects liability period.

Graph 11-1: Grievance Resolution Flow Chart



12 INSTITUTIONAL ARRANGEMENT

12.1 Executing Agency: Ministry of Public Works and Transport

106. DOR/MPWT is the EA for the Project. MPWT is responsible for the planning and construction of public works and transport sector projects. At the central level, within the MPWT, the line departments, including DOR, play an important role supporting MPWT in terms of studies, planning, and macro management of road and bridge infrastructure. A project management unit (PMU) has been established at DOR to coordinate project activities at the national level. Following completion of this RAP, MPWT is required to review and endorse this document that are sent to MONRE for final approval.

12.2 Project Management Unit

107. The PMU has been established within DOR, and will be responsible for assessment, implementation and monitoring of environmental and social safeguards. The responsibilities of the PMU are summarized below:

- Overall responsibility for project implementation and coordination of project activities;
- Supervise the activities of the Project Implementation Teams organized within the District Authorities;
- Undertake procurement of goods, works and services including recruitment of consultants for project management support and independent audit and safeguards monitoring;
- Develop and adapt a project performance management system in monitoring project activities using indicators and parameters in the design and monitoring framework;
- Obtain necessary approvals and clearances of environment and resettlement from MONRE prior to awarding of civil works contracts;
- Manage separate project financial records and accounts, and prepare financial reports;
- Supervise the implementation of social and environmental safeguards and including timely disclosure of safeguards documents;
- Supervise the implementation of the Consultation and Participation Plan, Gender Action Plan, and ethnic minority plan;
- Supervise the implementation of the resettlement plan including adequate measures to mitigate adverse resettlement impacts;
- Ensure that environment management plans, ethnic and gender considerations are incorporated in the detailed engineering designs and included in the civil works contracts;
- Undertake regular quality control inspection of project facilities;
- Manage the handover of project facilities to agencies responsible for operation and maintenance;
- Prepare and submit quarterly and annual physical and financial progress reports to the EA; and
- Undertake monitoring of compliance of social and environmental safeguards.

108. The Environmental and Social Management Unit (ESMU) under PMU will be responsible for overseeing and monitoring implementation of the ESMP, RAPs the ethnic group engagement plan (EGEP) and gender action plan (GAP). The ESMU will be headed by a manager.

109. The ESMU will also be responsible for overall planning and implementation of environmental and social management (including RAP) for the Project, as well facilitating consultation activities, and coordination with local authorities, AHs, NGOs/civil society organizations (CSOs) and other stakeholders. The ESMU will monitor and report on the effectiveness of implementation of the ESMPs and RAPs and coordinate activities during construction and post-construction aimed at improving the environmental and social performance of the Project.

110. The ESMU will support the PMU to prepare all documentation and reports concerning the environmental and social aspects of the Project including resettlement progress reports to be submitted to PMU and DONRE/PONRE during the implementation period. The ESMU will hire a team of social and resettlement specialists (consultants or NGOs) to support and monitor RAP and EGEP implementation, .

111. The team of social and resettlement specialists will undertake their tasks in accordance with TOR and job descriptions and will ensure all plans are updated and complied with. The resettlement specialist will report to the ESMU-Manager.

112. The ESMU will implement resettlement activities with the PRC and retain qualified and experienced experts or qualified NGOs to verify the internal monitoring information (refer to **Section 14**) and the extent to which they have implemented according to the RAP, Government policy and regulations and World Bank's safeguard policies.

113. The ESMU will work closely with the PRC to review and address all complaints and grievances arising in the course of implementation of any ESMP and RAP, and resolve them as far as it can with the concerned parties. If the complainant is not satisfied, the matter will be resolved through appeal and tracking through the grievance redress procedure.

114. The Manager-ESMU will report directly to PMU and work closely with provincial/district authorities. S/he will also work with and provide with support from the World Bank's safeguard specialists. The role of the Manager-ESMU will be to ensure that the environmental and social mitigation and monitoring measures are implemented during the course of Project construction and operation. The Manager-ESMU will act on behalf of the PMU in dealing with Government agencies, PRC, or other concerned parties, and will be the MPWT/PMU representative on the PRC.

115. The activities of the Manager-ESMU will include, but not necessarily be limited to:

- Maintaining good relations and communication with the local communities affected by or involve in the project;
- Coordination, supervision, monitoring and reporting on activities undertaken in compliance with each ESMP, RAP and EGEP;
- Liaising between the project manager (PMU), consultants, Government agencies, PRC, and contractors/agencies engaged to implement the ESMPs, EGEP and RAP;
- Supervising and monitoring field activities in relation to ESMP and RAP implementation;
- Supervising specific routine technical tasks of the ESMU and performance of ESMU staff and consultants; and
- Preparing internal progress reports as required and reporting to the head of the PMU.

116. The ESMU will be responsible for updating and implementing the RAP, implementing required income restoration activities/measures, as well as monitoring in collaboration with concerned line agencies including District Agriculture and Forestry Office (DAFO), District Lao Women Union (DLWU), District Office of Commerce and Industry (DOCI), and DONRE. The representatives of the above listed district agencies are included in the PRC responsible for facilitating and providing technical support for resettlement, land acquisition and compensation, livelihood and income restoration. They will also be responsible for managing the relocation process for those households requiring relocation as a result of the Project. The resettlement specialists will report directly to the ESMU Manager and work closely with the Government staff as required, including PRC.

12.3 Project Implementation Team

117. At the district level, project implementation teams (PIT) will be established to oversee the implementation of the project, including environmental and social safeguards, at the project towns.

118. The responsibilities of the PIT are summarized below:

- Coordinate the implementation of project activities at the district level;
- Ensure the implementation of the approved work plans and program of activities;
- Prepare and submit regular quarterly and annual physical and financial progress reports to the PMU;
- Oversee and coordinate civil works and construction activities;
- Ensure the implementation of social and environmental safeguards and including timely disclosure of safeguards documents;
- Ensure the implementation of the Consultation and Participation Plan, Gender Action Plan, and Ethnic Minorities Plan;
- Ensure implementation of resettlement plans including adequate measures to mitigate adverse resettlement impacts;
- Coordinate implementation of environmental management plan, and submit regular monitoring reports to the PMU;
- Coordinate the updating of the resettlement plans and monitor implementation of resettlement activities; and
- Undertake monitoring of project activities and prepare regular reports to the PMU on project achievements.

12.4 Project Management Support Consultant

119. To assist and support the PMU and PIT, a consultant shall be engaged for the purposes of both implementation supervision and capacity building so as to ensure the effective implementation of all aspects of the Project including safeguards, land acquisition and resettlement, GAP, and ethnic minority plan. The project management support (PMS) consultant shall comprise a team of international and national specialists for the duration of the Project. In respect of safeguards the principal tasks of the PMSC will be as follows:

- To carry out formal and on-the job training on social preparation, social impact assessment, ethnic groups development, and gender and development;
- To assist and support PMU and PIT in implementation of all safeguards activities;
- To assist in the needs and demand assessments for mitigation of adverse effects on ethnic minority communities, identification of specific income restoration measures for ethnic minority households affected directly by land acquisition, and to then assist in the design of the most effective programs; and
- To brief and/or assist in the briefing of social organizations to a) increase their awareness of the project, b) increase their awareness of the project's grievance mechanism for resettlement and land acquisition issues so that they would be enabled to provide support to affected households.

12.5 Other Institutions Involved in Resettlement Activities

12.5.1 Project Resettlement Committee

120. The further planning and implementation of the Project will be undertaken through consultation with, and advice from, provincial and district government agencies, through the Project resettlement committee. The main function of the PRC is to represent the interest of the APs and stakeholders in dealing with project impacts and mitigation measures.

121. The PRC will meet regularly, and will have an inaugural meeting at least one month before the start of the Project and will operate during the construction of the subprojects and for up to two years after completion of construction activities (to monitor impacts and take action where necessary). The minutes of meetings and activities of PRC will be incorporated into overall Project internal and external monitoring.

122. The responsibilities of PRC will be as follows:

- Coordination of relevant Government organizations with ESMU to ensure that RAP is properly implemented;
- Review and provide comments on valuation of land and assets (crops, production, market values, etc.) for compensation for APs
- Organization of provincial and district level meetings and consultations as required;
- Monitoring and auditing funds that are earmarked for RAP implementation; and
- Participation in resolution of, and follow through, of claims or complaints lodged via the established grievance redress procedure.

12.5.2 Independent Monitoring Organization

123. The Project will be required to fund an IEM for the purposes of independent or external monitoring of compliance with the management plans and mitigation measures approved by MONRE. The requirements of the IEM are discussed more fully in **Section 14**.

12.5.3 Ministry of Natural Resources and Environment

124. MONRE is the central environment management agency which has the mandate to co-ordinate environmental protection efforts of government ministries as well as provincial authorities. MONRE administers the environmental and social assessment system, in collaboration with relevant line agencies, through review of this RAP and issue of a certificate of clearance for project development. MONRE is also responsible for overall guidance on the matters pertaining to inspection of, and compliance with, management and monitoring aspects of projects approved at the central level. At provincial level these matters are handled by DONRE.

125. MONRE will be an observer to ensure that Lao PDR environmental and resettlement policies are satisfied within the context of the Project. MONRE will provide Government clearance of the ESMP and RAP of the Project.

13 IMPLEMENTATION SCHEDULE

126. Land acquisition, compensation and relocation of PAPs cannot commence until GOL and WB has approved the final RAP.

127. All land acquisition, compensation and resettlement activities will be completed before the onset of civil works schedule.

128. The implementation schedule for land acquisition, compensation and resettlement activities is presented in the following table including (i) activities that have been completed to prepare the RAP; (ii) resettlement implementation activities; and, (iii) external monitoring activities.

Table 13.1: Implementation Schedule

Main RAP Activities	Implementation Schedule
RAP Preparation	
Conduct DMS and socio-economic survey	May to September 2017
Public consultations with PAPs on draft RAP	September 2017
Detailed engineering design	August to December 2017
MPWT and WB approval	January 2018
Implement Plan	
Compensation payments	To be determined by MPWT
Implement rehabilitation measures	To be determined by MPWT
Clearance of acquired land	To be determined by MPWT
Award of civil work contract	Upon clearance of acquired land. Civil work will not commence until compensation with necessary support for resettlement has been provided for PAHs/PAPs.

14 MONITORING AND REPORTING

14.1 Monitoring Objectives

129. Monitoring and evaluation of the Resettlement Plan allows project owners to ensure smooth progress of updating, preparation and implementation of the plan as well as providing a review of information on the progress of the implementation of the resettlement activities. The monitoring will also address the degree to which the resettlement activities have achieved their desired outputs and outcomes, particularly those related to the rehabilitation of AP's housing, livelihoods and incomes. Two mechanisms will be used: (a) internal monitoring by PMU and the district resettlement committees; and (b) external monitoring and evaluation by an independent external monitor (IEM).

14.2 Internal Monitoring

130. The PMU has the responsibility to supervise the preparation and implementation of the RAP and monitor and report on all land acquisition, compensation and resettlement activities carried out at the provincial, district and village levels. Internal monitoring will assess (i) compliance with agreed resettlement policies and procedures; (ii) the availability of resources and efficient, effective use of these resources; and (iii) requirements for remedial actions.

131. The monitoring should also focus on (a) assessing if mitigation measures and compensation are sufficient and efficient (timely provided), (b) identifying methods of responding immediately to mitigation problems through remedial actions, (c) smooth transition between the resettlement activities and start of civil works, (d) updates of complaints overviews and their management by applying the grievance redress mechanism, (d) following-up of contract with contractor concerning social and environmental safeguard requirements (preference for AH for job opportunities) and (f) others, as necessary. The internal monitoring covers also impacts of voluntary contribution, if agreed and applied: (a) review process and documentation of voluntary contributions of AHs to the Project; (b) the work of the contractor in ensuring that no damage have been done to property/land during construction work and/or are reinstated as part of the contractually required rehabilitation and construction work.

132. The monitoring strategy should partly be based on a participative approach involving different stakeholders, such as communities, organizations, individuals, representatives and others and project affected people.

133. The internal monitoring and evaluation methodology has to apply key indicators: (i) input indicators (staffing and equipment and finance), (ii) process indicators (consultation, participation, and grievance resolution), and (iii) output indicators (acquisition of land, buildings, trees and crops, compensation and rehabilitation and re-establishment of community resources). The PMU will consolidate these information in its report to WB.

14.3 External Monitoring

134. As per the World Bank policy on Involuntary Resettlement (OP/BP 4.12, an IEM will be recruited to conduct external monitoring and evaluation of resettlement activities for the Project which will focus on the social impacts of the Project and whether the APs are able to restore, and preferably improve, their pre-Project living standards, incomes and productive capacity. The IEM will be carried out by an independent organization or firm with experience in resettlement monitoring and social assessment. They will be contracted by and reporting to MPWT and commence the monitoring work in advance of the resettlement implementation. The IEM should be able to offer, if needed, (i) external support and technical expertise to PMU on matters such as compensation rates, livelihood and income restoration assessment; (ii) advice to resolve issues or problems that arise during the resettlement implementation; and (iii) an overall assessment of land acquisition, compensation and resettlement for the Project from a broader, long-term socio-economic perspective.

135. Key indicators for external monitoring will include (i) resettlement implementation (staffing, compensation disbursements, land and assets acquired, preparation of replacement land, project and government funds disbursement, public information/consultation and disclosure, AP asset replacement); (ii) restoration of living standards, livelihoods and incomes; (iii) AP satisfaction and effectiveness of GRM; (iv) effectiveness of resettlement planning; and (v) resettlement impacts.

136. External monitoring and evaluation reports will be prepared in accordance with the contractual agreed requirements throughout the implementation period. Terms of Reference for the IEM firm with clear tasks, qualifications and expertise required and expected deliverables will be prepared and reviewed by the World Bank.

137. The Donors (The World Bank, AIIB and NDF) have appointed a team of social safeguard and resettlement specialists to support and monitor ESIA process, RAP and EGEP preparation and implementation by the project. The Donors' task team will conduct formal missions and field visits to review the implementation progress of RAP and EGEP and monitor policy compliance by the project on a semi-annual basis. In addition, the Donors' safeguard specialists will also conduct technical review and site visits as necessary to monitor the RAP and EGEP status and follow up on critical issues or grievances that may be raised during the course of the project implementation.

15 COSTS AND BUDGET

15.1 Requirements

138. The RAP is required to include a budget for implementation which identifies where the funds will come from and an implementation schedule linked with the design and civil works. Construction civil works will not commence until compensation has been paid to APs. The budget prepared in the RAP is required to identify the costs of resettlement including:

compensation, describing the valuation of land and assets and how replacement value or cost will be achieved; livelihood restoration, where this is required; costs of implementing the plan (including administration charges and contingency); and, monitoring.

139. The budget for resettlement activities will be updated in the RAPs prepared following detailed design. Through the Project Resettlement Committee, the government will release sufficient budget for implementation of compensation, resettlement and livelihood restoration activities in an appropriate and timely manner.

15.2 Valuation and Establishment of Rates

140. World Bank's policy (OP/BP 4.12) and Decree 84 require that compensation for any land or assets lost as a result of project development be compensated at replacement cost. The preparation of this RAP (based on the DMS), three valuation sources have been referred to (one from the railway project, one from the World Bank study in October 2016, and the last one from the value provided by the village headmen) based on the size and condition of land, any improvements made to the land, and an assessment with respect to the closest comparable values that are obtainable. The rates from the World Bank study and those observed by the village headmen are quite similar, and thus this RAP is based on the rate provided by the village headmen for valuation of the impacted land in each village

15.2.1 Loss of Land

141. There is no reliable source of information on the real estate market in Vientiane and Lao PDR as the sales are not properly recorded. Real estate prices are driven by current demand, the urgency of the sale, and the land size and geometry. As a result, it is not possible to apply a classic method such as the sales comparison approach for calculating land values. Therefore, a survey on the land sales signs along the National Highway 13 North was conducted in August and November 2017, by asking the land price over the phone without mentioning the Project. For those villages where no land was for sale, land values from neighboring villages were used. Lands are differentiated into 2 categories: (i) constructed land (residential, business or empty land) that doesn't require any filling; and (ii) paddy or rice fields that required filling. The cost of land in a village is influenced by its proximity to Vientiane Capital, socio-economics, and the population density in the village.

142. The study "*Updated Information on Land Acquisition and Estimation of Compensation Costs*" (Chansouk Insouvanh, 20 October 2016) was used to compare the 2016-2017 land prices for available villages, and in general there has been an increase except for 4 villages: Phanghaeng, Naxaythong Nua, Houakhoua and Boua in Naxaythong District as presented in **Table 15-1**. The approach was to visit sale land plots along the alignment and followed by a request for asking the price by phone without self-identification as the project consultant from the owners.

Table 15-1: Land Prices Comparison

Naxaithong District Land Value in August-November 2017 along NH13 North				"Updated Information on Land Acquisition and Estimation of Compensation Costs" October 2016		
No	Name of Village	Constructed Land	Paddy Field	Residential & Business Land		Paddy Field
		Kip/m2	Kip/m2	Kip/m2	Kip/m2	Kip/m2
1	Xaimoungkhoun	1,500,000	882,000			
2	Sikeut	2,492,100	882,000			
3	Phanghaeng	1,246,050	756,000	1,600,000		
4	Donglouang	1,764,000	504,000			
5	Naxaythong-tai	1,500,000	224,280	1,250,000	1,840,000	
6	Naxaythong-kang	1,500,000	378,000			276,000
7	Naxaythong-nua	1,500,000	378,000	1,600,000		
8	Houaxang	1,008,000	630,000	690,000	460,000	
9	Houakhoua	1,090,909	450,000	1,600,000	1,600,000	
10	Nongkhankhou	504,000	252,000	460,000	1,600,000	
11	Ilai-tai	504,000	252,000			
12	Ilai-nua	504,000	252,000			
13	Houay Namyen	504,000	252,000	322,000		
14	Chaengsavang	504,000	378,000			
15	Songkhouakangsaen	453,600	252,000	230,000		
16	Songpuay-tai	504,000	252,000			
17	Songpuay-nua	378,000	201,600			
18	Phonkham	504,000	201,600	230,000		
19	Nakha	453,600	201,600			
20	Phonmouang	252,000	176,400	280,000		
21	Nanga	378,000	176,400	280,000		
22	Boua	378,000	176,400	460,000		
23	Nongsa	378,000	176,400			
24	Nadi	504,000	252,000			

Phonhong District Land Value in August-November 2017 along NH13 North				"Updated Information on Land Acquisition and Estimation of Compensation Costs" October 2016		
No	Name of Village	Constructed Land	Paddy Field	Residential & Business Land		Paddy Field
		Kip/m2	Kip/m2	Kip/m2	Kip/m2	Kip/m2
1	Sivilai	378,000	201,600			
2	Mai	623,762	201,600	187,500		
3	Phonxai-tai	504,000	378,000			
4	Taothan	504,000	176,400			
5	Nalao	504,000	252,000			
6	Lak 52	1,661,400	504,000	800,000		
7	Nongnak	504,000	252,000	125,000		125,000
8	Phonkham-tai	1,661,400	378,000			
9	Phonkham-nua	1,661,400	378,000	431,250		
10	Hongluay	458,182	176,400	50,000		
11	Naborn	378,000	176,400	345,000		
12	Vangmon	630,000	176,400	287,500		
13	Saka - Phonnyang	630,000	176,400			
14	Phonsavang	504,000	126,000	230,000		
15	Phongneun	504,000	126,000			
16	Houaython	201,600	75,600	115,000		
17	Namchaeng	180,000	75,600			
18	Phonsi-tai	378,000	75,600	345,000		
19	Namlin	504,000	126,000			
20	Phonhong	1,008,000	378,000	690,000		

143. Furthermore, the Government is discussing the compensation rates for the railway along National Highway 13 North per province. **Table 2** presents land price near village access roads for Naxaythong District in Vientiane Capital and Vientiane Province. These land locations proposed for the railway are less attractive and don't benefit from existing access roads provided by the NR13N. Therefore, not a good basis to establish land valuation.

Location	Constructed Land	Agriculture Land	Paddy Field
Naxaythong District	690,000	60,000	137,000
Vientiane Province	250,000	25,000	25,000

15.2.2 Loss of Houses and Related Structures

144. The cost estimates for the loss of structures were calculated based on the actual costs of construction of these structures at the current market price without depreciation or deductions for salvaged building materials. A bill of quantities approach is used to determine the unit cost of structures. For a 1.5m high masonry wall, for example, the actual cost of materials (lean concrete, ground beam, bricks, mortar and rendering) and the labor for the construction were calculated to obtain the replacement cost of a similar structure affected.

145. Similar calculations were made for other types of structures including buildings of different construction materials and all hard landscaping, including garden borders and paved driveways (see Annex 8).

15.2.3 Loss of Income

146. The businesses and shops along the Project road will experience access disturbance during the construction work. They will be compensated with the temporary access facilities based on the size of the access. For instance, businesses that need vehicle access such as gas station will have different access compensation cost from the shops or offices that have walking access. The estimated average cost used for compensation of temporary loss of access is 300 USD per business. This sum would be used to construct temporary access bridges for PAHs, and would be included in the contract cost.

147. During the construction work, the shops or kiosks that sell food and small restaurants will be temporary affected, the compensation cost will be calculated based on the 3-month profit of each business. The average figures used in this RAP is the median profit of 192 affected food shops which was 5,800,000 Kip per month.

15.3 Source and Flow of Funds

148. The budget section of the RAP is required to describe the flow of funds for compensation payments and the source is provided under the Road Maintenance Fund.

149. As part of the counterpart contribution, the Government (MPWT) will be responsible for providing the budget for the compensation of the affected assets and income associated with the Project.

150. Based on the institutional arrangements for implementation (refer to Section 12), the finalized budget will be approved by Government and released to MPWT who will transfer the funds for compensation and assistance to the project bank account held by DOR/PMU. The PMU will release the funds to the PRC which will pay the compensation awards to the APs being witnessed by VRC members.

151. The process for recording payments will include:

- Agreement to the compensation award (copies signed by PRC and VRC representatives, PMU representative, and the AP and to be held by each of them);
- Notification to VRCs and APs of when the awards/payments will be made and the dates they need to go to the PRC office to collect their compensation payment;
- Offer of the compensation award and compensation amount being received by the AP (on proof of identification and witnessed by two VRC members), copies of which will be signed by PRC and VRC representatives, PMU representative, and the AP and the receipts held by each of them.

152. The process and recording of the compensation awards will be the subject of monitoring.

15.4 Estimated Cost for Compensation and Assistance

153. The estimated cost of compensating for the land, structures and trees is US\$19,184,123 (159,362.51 M Kip).

154. Based on the provisions of Decree 84 and the World Bank's policy, the relocation/disturbance allowance for 8 relocating AHs \$1,000/AH for the moving of household effects or salvaged materials with the total amount of \$11,000; The estimation is based on the cost of renting vehicles, labor cost for moving and transitional costs (insurance for transport of goods, re-establishing utility connection, temporary rental accommodation. In

addition, these 8 relocating households will also receive cash compensation equivalent to a 16 kg of rice per person in the household at the current market price value.

155. The cost for compensation of temporary loss of access to 1,469 businesses and shops during construction work is \$300 per business with the total amount of \$440,700 to facilitate businesses operations. This cost to be covered by the contractor.

156. Cost for temporary affected 192 food shops and restaurants based on the median income of 5,800,000 Kip per month per unit with the total amount of \$403,200. The calculation of net profit for each food shop was calculated based on the average month gross income deduct the monthly investment costs of each individual food shop. The monthly investment costs include the expenses for buying raw materials and ingredients for food preparation, labor cost, water, gas, electricity costs and income tax. Thus, the average gross income for selling food for temporary affected 192 food shops was calculated based on the median net income of the affected food shops which was about 5,800,000 Kip per month. This is an indicative cost that may be reduced after the final DMS and calculation of the actual affected households that cannot open their businesses during civil work.

157. Including administration charges (cost of updating and implementing the RAP) of 5% and a 5% contingency, the total estimate of the RAP for the Project is US\$22,039,626 (183,083.17 M Kip) as shown in **Table 15-2**. A detailed breakdown is provided in

Summary	US\$ (000)	Kip (million)
Naxaythong		
Land	12,983.23	107,851.68
Structures	4,981.60	41,382.12
Trees	52.57	436.71
Compensation costs (land and structures)	18,017.40	149,670.51
Livelihood restoration + allowances	519.80	4,318
Administration charges (implementation) costs (5%)	926.86	7,699
Contingency (5%)	926.86	7,699
Total RAP cost estimate Naxaythong	20,391	169,387.34
Phonhong		
Land	141.58	1,176.10
Structures	1,008.80	8,380.09
Trees	16.35	135.80
Compensation costs (land and structures)	1,166.73	9,692.00
Livelihood restoration + allowances	332.10	2,759
Administration charges (implementation) costs (5%)	74.94	623
Contingency (5%)	74.94	623
Total RAP cost estimate Phonhong	1,648.71	13,696
Grand Total RO Cost	22,039.63	183,083

158. **Table 15-3** with a summary in

No.	Item	Total US\$	Total Kip	Responsibility
1	Land			
1.1	Residential land - compensation	11,650,146	96,777,760,832	GOL
1.2	Agricultural land	951,945	7,907,807,607	GOL
1.3	Government land	522,718	4,342,219,109	GOL
2	Trees	68,919	572,508,900	GOL
3	Structures			
3.1	Repair house	2,660,537	22,101,078,691	GOL
3.2	Rebuilding house	702,813	5,838,271,068	GOL
3.3	Reconstruct kiosk/small shop	include in house		
3.4	Fence	1,408,115	11,697,211,196	GOL
3.5	Cement slab	833,830	6,926,621,857	GOL
3.6	Other structure (sign, drainage, etc.)	385,101	3,199,032,712	GOL
4	Income Restoration, Allowances & Other			
4.1	Relocation/Transport allowance - household	8,000	66,456,000	GOL
4.2	Loss of access (businesses)	440,700	3,660,894,900	Contractor
4.3	3 months of profit for food shops/disturbance allowance	403,200	3,349,382,400	GOL
5	Subtotal	20,036,023	166,439,245,272	
	Administration charges (5%)	1,001,801	16,643,924,527	
	Contingency (5%)	1,001,801	16,643,924,527	
	TOTAL	22,039,626	183,083,169,799	

159. **Table 15-4.**

Table 15-2: Summary Involuntary Resettlement Mitigation Costs

Summary	US\$ (000)	Kip (million)
Naxaythong		
Land	12,983.23	107,851.68
Structures	4,981.60	41,382.12
Trees	52.57	436.71
Compensation costs (land and structures)	18,017.40	149,670.51
Livelihood restoration + allowances	519.80	4,318
Administration charges (implementation) costs (5%)	926.86	7,699
Contingency (5%)	926.86	7,699
Total RAP cost estimate Naxaythong	20,391	169,387.34

Phonhong		
Land	141.58	1,176.10
Structures	1,008.80	8,380.09
Trees	16.35	135.80
Compensation costs (land and structures)	1,166.73	9,692.00
Livelihood restoration + allowances	332.10	2,759
Administration charges (implementation) costs (5%)	74.94	623
Contingency (5%)	74.94	623
Total RAP cost estimate Phonhong	1,648.71	13,696
Grand Total RO Cost	22,039.63	183,083

Table 15-3: Breakdown of Compensation and Income Restoration Costs

No.	Item	Total US\$	Total Kip	Responsibility
1	Land			
1.1	Residential land - compensation	11,650,146	96,777,760,832	GOL
1.2	Agricultural land	951,945	7,907,807,607	GOL
1.3	Government land	522,718	4,342,219,109	GOL
2	Trees	68,919	572,508,900	GOL
3	Structures			
3.1	Repair house	2,660,537	22,101,078,691	GOL
3.2	Rebuilding house	702,813	5,838,271,068	GOL
3.3	Reconstruct kiosk/small shop	include in house		
3.4	Fence	1,408,115	11,697,211,196	GOL
3.5	Cement slab	833,830	6,926,621,857	GOL
3.6	Other structure (sign, drainage, etc.)	385,101	3,199,032,712	GOL
4	Income Restoration, Allowances & Other			
4.1	Relocation/Transport allowance - household	8,000	66,456,000	GOL
4.2	Loss of access (businesses)	440,700	3,660,894,900	Contractor
4.3	3 months of profit for food shops/disturbance allowance	403,200	3,349,382,400	GOL
5	Subtotal	20,036,023	166,439,245,272	
	Administration charges (5%)	1,001,801	16,643,924,527	
	Contingency (5%)	1,001,801	16,643,924,527	
	TOTAL	22,039,626	183,083,169,799	

Table 15-4: Summary of Compensation and Income Restoration Costs

No.	Item	Total US\$	Total Kip
1	Land	13,124,809	109,027,787,548
1.1	Residential land - compensation	11,650,146	96,777,760,832
1.2	Agricultural land	951,945	7,907,807,607
1.3	Government land	522,718	4,342,219,109
2	Trees	68,918.85	572,508,900
3	Structures	5,990,396	49,762,215,523
4	Income Restoration, Allowances & Other	851,900	7,076,733,300
6	Subtotal	20,036,023	166,439,245,272
	Administration charges (5%)	1,001,801	16,643,924,527
	Contingency (5%)	1,001,801	16,643,924,527
	TOTAL	22,039,626	183,083,169,799

160. **Table 15-5: Direct Compensation and Income Restoration Costs** presents compensation cost without government assets (land and structures) with an estimate amount of US\$ 18,556,676 (154,150.31 M Kip).

Table 15-5: Direct Compensation and Income Restoration Costs

No.	Item	Total US\$	Total Kip
1	Land	12,602,091	104,685,568,439
1.1	Residential land - compensation	11,650,146	96,777,760,832
1.2	Agricultural land	951,945	7,907,807,607
2	Trees	68,317.19	567,510,900
3	Structures	5,476,068	45,489,699,638
3.1	Repair house/shop	2,632,383	21,867,203,263
3.2	Rebuilding house/shop	702,813	5,838,271,068
3.3	Fence	941,703	7,822,730,314
3.4	Cement slab	819,285	6,805,797,282
3.5	Other structure (sign, drainage, etc...)	379,884	3,155,697,712
4	Income Restoration, Allowances & Other	410,200	3,407,531,400
4.1	Relocation/Transport allowance - household	7,000	58,149,000
4.2	3 months of profit for food shops/disturbance allowance	403,200	3,349,382,400
	TOTAL	18,556,676	154,150,310,377