VIET NAM MEDIUM CITES DEVELOPMENT PROJECT (MCDP)  
VINH CITY SUBPROJECT – NGHE AN PROVINCE  
COMPENSATION, ASSISTANCE AND RESETTLEMENT POLICY FRAMEWORK  
(Final Draft)

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**Abbreviations**

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<th>Description</th>
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<tr>
<td>CPC</td>
<td>City People Committee</td>
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<tr>
<td>CRC</td>
<td>City Resettlement Committee</td>
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<td>DOC</td>
<td>Department of Construction</td>
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<tr>
<td>DOF</td>
<td>Department of Finance</td>
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<td>DONRE</td>
<td>Department of Natural Resource and Environment</td>
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<td>DP (s)</td>
<td>Displaced Persons</td>
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<td>DPI</td>
<td>Department of Planning and Investment</td>
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<tr>
<td>FS</td>
<td>Feasibility Study</td>
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<td>Gov</td>
<td>Government</td>
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<td>IDA</td>
<td>International Development Association</td>
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<td>MCDP</td>
<td>Medium City Development Project</td>
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<td>ODA</td>
<td>Official Development Assistance</td>
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<td>PAHs</td>
<td>Project Affected Households</td>
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<tr>
<td>Acronym</td>
<td>Full Form</td>
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<td>---------</td>
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<td>PDO</td>
<td>Project Detail Outline</td>
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<td>PMU</td>
<td>Project Management Unit</td>
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<td>PC</td>
<td>People Committee</td>
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<td>PPC</td>
<td>Provincial People’s Committee</td>
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<td>RP</td>
<td>Resettlement Plan</td>
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<td>RPF</td>
<td>Resettlement Policy Framework</td>
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<td>TOR</td>
<td>Term of Reference</td>
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<td>WB</td>
<td>World Bank</td>
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### Definition of Terms

#### Cut-off date

Means the date of the project announcement publicly. Displaced Persons and local communities will be informed of the cut-off date for each Project component, and that anyone moving into the Project Component Areas after that date will not be entitled to compensation and assistance under the Project.

#### Eligibility

Any person who at the cut-off-date was located within the area affected by the project, its sub-components, or other subproject parts thereof, and would: (i) have formal legal rights to land (including customary and traditional rights recognized under the laws of the country); or (ii) not have formal legal rights to land at the time the census begins but have a claim to such land or assets – provided that such claims are recognized under the laws of the country or become recognized through process identified in the resettlement plan. (iii) not have legal nor recognizable by laws rights to the land they are occupying they live or/and have properties/assets within the project areas before the cut-off date. Persons covered under (i) and (ii) are provided compensation for the land they lose and other assistance at full replacement cost. Persons covered under (iii) are provided resettlement assistance in lieu of compensation for the land they occupy, and other assistance, as necessary, to achieve the objectives set in this RPF, if they occupy the project area prior to a cut-off date. Persons who encroach on the area after the cut-off date are not entitled to compensation or any other form of resettlement assistance.

#### Compensation (in cash or in kind)

Compensation (in cash or in kind) for loss of assets and rehabilitation measures to restore and improve income as determined in consultation with project displaced people (DPs). Compensation for loss of assets will be at replacement costs.

#### Livelihood (income) restoration

Refers to that compensation for DPs who have loss of income sources or means of livelihoods to restore their income and living standards to the pre-displacement levels.

#### Replacement Cost

Is the concept (OP 4.12, footnote 11) used to calculate the compensation amount for an asset and involves using current market value plus the transaction costs which may include taxes, fees, transportation, labor, etc. The market value is determined by the PMU confirmed by local authorities in consultation with the DPs. The methods of estimation of prevailing market value should evolve over time to achieve good practice. The final RAP should be determined with the most recent information once the final details...
are known about the circumstances of displacement.  

**Resettlement**

is the general term related to land acquisition and compensation for loss of asset whether it involves actual relocation, loss of land, shelter, assets or other means of livelihood.

**Vulnerable Groups and Individual at risk**

are those who might suffer disproportionately from adverse project impacts and/or be less able to access the project benefits and compensation including livelihood restoration and assets compensations, when compared to the rest of project DPs. Vulnerable or “at-risk” groups includes people who, by virtue of gender, ethnicity, age, physical or mental disability, economic disadvantage or social status may be more heavily affected by economic or physical displacement than others and who may be more limited than the population at large in their ability to claim or take advantage of resettlement assistance and related development benefits.

The preparation of the RPF requires and early identification of vulnerable groups or HHs when carrying out the initial rapid socio-economic surveys, establishing a project baseline. Vulnerable groups will vary from project to project but will generally include the following in the Vietnam context:

- Poor and poorest households as identified by MOLISA and other pertinent national survey results.
- Poor rural landless households, especially those that are heavily natural resource dependent
- Poor landholders that have limited productive land (PMU/PPU may need to compare to an estimate of the minimum amount of farm land needed to be a viable farmer for a particular part of the country the project happens to occur in.
- Ethnic minority HH
- HH and groups who may have their overall economic viability significantly impacted by the project impacts of 10% or more to their overall productive assets as may be demonstrated by the rapid socio economic baseline/assessment
- Mentally and physically handicapped people or people in poor physical health; Infants, children and women without assistance; poorest women-headed households.
- other displaced persons identified by the PMU/PPU and

---

1 PMU and Local authorities should use an independent appraiser to assess assets value (commissioned by the project). It is advisable that DPs be consulted about the choice of an independent appraiser or if several may be chosen, and if possible have a voice in their selection (as is currently done in some other countries in the region).

2 Any land acquisition taking place with an ethnic minority community will need to be consistent with the Project’s Ethnic Minority Development Plan which is prepared for the same project prior to project appraisal in compliance with OP 4.10.
who may not be protected through national land compensation or land titling., and

- any additional groups identified by the baseline and socio economic surveys, by meaningful public consultation
The Government’s Statement

To adequately address the compensation, resettlement and rehabilitation of the people to be affected by the acquisition of land, houses and other assets under the Medium Cities Development Project (the Project) which is assisted by the World Bank, the Government of Vietnam (GOV) through the Decision No.______ dated _______ has approved this Resettlement Policy Framework (refer as to RPF). The RPF also applies to other activities resulting in resettlement, which are (a) directly related to the Project; (b) necessary to achieve its objectives; and (c) carried out, or planned to be carried out, contemporaneously with the Project.

I. Introduction

1.1 Overview

1. Background. The population in the cities of Vietnam has been rapidly expanding in the recent years while the infrastructure development, especially the drainage, wastewater collection and treatment, and solid waste management have not been yet due responded and lag behind the urbanization. This creates environmental and health hazards for the residents and hampers the economic development of the cities. In addition, people here are struggling to improve their income opportunity due to the lack of undeveloped roads and links.

2. The GOV has requested the WB for a similar project named VIET NAM MEDIUM CITIES DEVELOPMENT PROJECT (MCDP) to support the development of three cities: Lao Cai (Lao Cai province), Phu Ly city (Ha Nam province) and Vinh (Nghe An province).

3. Project objectives: the Overall project objective is to develop an infrastructure network in three cities, including urban structures for residential areas, water supply and sanitation improvements, road upgrading and urban management capacity building. The Project will support the improvement of living conditions of inhabitants, especially in the poor areas, and the economic development of three cities. Furthermore, the Project will contribute to poverty reduction and sustainable development of the three cities.

4. Outline of the Project: The Vietnam Nam Medium Cites Development Project will be located in three cities of Vinh, Phu Ly and Lao Cai, in which each city consists of 04 components: (i) Component A: Tertiary Infrastructure Upgrading and Service Improvements: Priority of the tertiary infrastructure and service improvements in selected low-income areas and priority of infrastructure and service in settlement sites or new urban areas; (ii) Component B: Water Environmental Sanitation Improvements: Development of water supply systems, flood investment mitigation, drainage infrastructure, and improvement of wastewater collection and treatment capacity; (iii) Component C: Urban Roads and Bridges: Upgrading existing roads and construction of new roads and bridges in the city, and (iv) Component D: Technical Assistance and Capacity Building.

5. The Project is planned to implement in 5 years, between 2011 and 2016.

1.2 Vinh City Subproject

6. Overview: Vinh city is a political, economic and cultural center of Nghe An province, which is located in the south of the province. Its geographic location is from 18° 40’ N to 105° 40’ E. It borders Ha Tinh province to the South, Nghi Loc district to the East and the
North, Hung Nguyen district to the West. Vinh city is 300 km from Hanoi and 1,400 km from Ho Chi Minh City. Vinh city natural area is 104.98 km² with a total population of 435,000 people (By 2025, the population will be estimated 800,000 people). The administrative units include 16 urban wards and 9 suburb communes. Vinh city focus many important traffic axis, North-South and East-West national roads National Highway 1A, North to South railway, National Road No.7, National Road No.8 to Laos and Northern Thailand; Cua Lo seaport. 

7. In recent years, Vinh city has been developing in various fields of economy, politics, culture and society. The technical infrastructure and social system have been step by step improved. However, to meet the role and important functions of the City, in particular and Nghe An province, in general and the Northern Central Region, it should solve and overcome many shortcomings and weaknesses. Hence, Nghe An’s PPC has proposed to participate in a World Bank funded Project, Viet Nam Medium Cities Development Project – Vinh City Subproject. Total subproject budget is about USD 125 million, in which USD 95 million is from the WB and other USD 30 million is from the government’s counterpart fund.

8. There are four components in Vinh City Subproject, including:

**Component 1**: Tertiary Infrastructure Upgrading and Service Improvements, aims to (i) improve the poor and downgraded infrastructure, (ii) urbanize suburban areas where the produce is mainly based on the agricultural and handicraft sectors and (iii) improve the environment. Component 1 includes the following investment items (1) construction of two resettlement sites, including (i) Quan Bau ward resettlement site with the area of 13.58 ha, north of Quan Bau Ward and west of Mai Hac De Street. (ii) Resettlement site at village 5, Nghi Phu commune with area of 10.16 ha; and (2) school sanitation programme, which does not only improve the school infrastructure but also pave a driving force for the Environment communications and education for students.

**Component 2**: Water Supply and Environmental Sanitation Improvements, including the following: (1) upgrading and renovation of Northern canal and construction of an detention lake at the downstream of the canal; (2) Upgrading and rehabilitation of reservoirs around Vinh ancient citadel; (3) Renovation and upgrading of Cua Nam lake; (4) Upgrading and rehabilitation of some main drainage canals; (5) Upgrading the main wastewater pumping station, and; (6) Increasing the capacity of the wastewater treatment plant.

**Component 3**: Urban Roads and Bridges, including (1) Construction of Vinh –Hung Tay road which is 6.2 km long with 72 meters of ROW, and construction of a bridge across Ke Gai River whose width is 36 meters and span is 40m; (2) Construction of a Link to Nation Road No.46 along Lam riverbank, and (3) improving and upgrading 12 urban roads.

**Component 4**: Technical Assistance and Capacity Building, including: (1) support for implementing the project, (2) building capacity for the Project Management Unit, (3) capacity building and technical support for the related organizations.

1.3 **The Resettlement Policy Framework (RPF)**

9. The preparation of this RPF is based on the Involuntary Resettlement policy, OP/BP 4.12 of the WB (amended in April 2004). The basic objective of the RPF is to ensure that all displaced persons will be reasonably compensated for their loss at replacement costs and
given suitable measures to improve or at least restore their livelihoods and living standards to pre-project level³.

10. The Resettlement Policy Framework (RPF) lays down the principles and objectives, eligibility criteria of Displaced Person (DP), entitlements, legal and institutional framework, modes of compensation and rehabilitation, people’s participation features and grievances procedures that will guide the compensation, resettlement and rehabilitation of the DPs. It has been prepared to guide in preparation of RPs for implementation in all project components involving in land acquisition and resettlement.

11. The Resettlement Policy Framework provides: (i) the Policy and Legal Framework of Vietnam Gov and WB; (ii) The compensation policy is applied for all affected areas of the Viet Nam Medium cities Development Project – Vinh Subproject; (iii) Procedures are applied for preparing, implementing and assessing the project resettlement. RP will update each component after the detailed designs are finished that allow conducting Detail Measurement Survey and identification of displaced persons. The RPF will be prepared in both Vietnamese and English distributed to all central and local organizations regardless of the public, private or individual, which contract to carry out the subproject preparation, implementation and monitoring. The RPF should be read in conjunction with the World Bank OP 4.12 and Vietnamese laws and the regulations related to the resettlement policy. Respective RPs for each subproject will be done based on the RPF and the Feasibility Reports.

12. The Resettlement Policy Framework is prepared based on the results of (1) discussion between the Consultant and Vinh PMU to develop a draft RPF by early 1/2010; (2) site survey in all project areas that may cause land acquisition and resettlement impacts; (3) consultations of stakeholders including (i) at provincial and city level, a consultation meeting was held on February 5th, 2010 with the participation of Nghe An provincial leaders, DPI, DONRE, DOF, DOC, representatives of Vinh city’ PC, Vinh PMU staffs and (ii) at affected ward/communal level, consultations with communities and local population have been carried out since the middle of January 2010 (4) a rapid replacement cost survey has been carried out for affected land and property in types. Data will be updated fully and suitably to serve the implementation of the Resettlement Plan and meet the RPF’s requirements.

II. Scope of the Potential Resettlement Impacts

13. According to the project description outlined in the above-mentioned, only 3 first project components will involve in land acquisition and resettlement impacts due to the demand for building resettlement sites for the poor, upgrading the drainage canals, pumping stations wastewater treatment stations and certain urban roads. In the pre-feasibility stage, thanks to the close cooperation with the PPU and the consultation with local authorities at all levels, the Technical Consultant made attempts in the process of selection and identification of the alternatives and locations of the works. The actions are to avoid, mitigate or the scale of land acquisition at the smallest and the level of resettlement impact is at the lowest. The Consultants have used various measures to avoid land acquisition, if possible, such as using sidewalks, roadways, and ROW.... Where the land acquisition is required, the Technical Consultants prioritized to use public land, unused land or land with low value. In case of

³ During the Resettlement Plan preparation, survey (s) will be conduct to set up databases that is (i) basis for compensation and other rehabilitation assistances and (ii) to provide socioeconomic indicators that work out DP’s livelihoods at pre-project implementation period that could be comparable at the time of project completion to determine if their living condition/ standard is better, or at least maintain to the pre-project level.
necessity, some technical solutions are proposed to mitigate project impacts on local people’s land and properties.

14. So far, the exact locations and sizes of the storm-water/wastewater drainages and urban roads and other physical works as well like public toilets, wastewater treatment stations… have not been identified. Thus, it could not exactly estimate the scope of land acquisition as well as the accurate number of households affected by the subproject. Based on the available information, it is estimated that the total acquire area of three first components in the Vinh City subprojects would be about 124 ha, of which 104 ha agricultural land (including rice land, annual crops, fruits trees). According to the estimation, there are approximately 1,995 households with about 8,236 people affected by the three components, of which there about 408 households who would be lose 20% or more of their total agricultural land holding and/or relocated to resettlement sites, the remaining are marginally affected, they are:

Component 1: Tertiary Infrastructure Upgrading and Service Improvements; mostly affect agricultural land so compensation and site clearance are not complex, residential land are affected mainly by access road to resettlement sites. Thus, (1) there are 103 affected households in Quan Bau Resettlement site with 12.4 ha of agricultural land affected; there is no relocated household; (2) about 159 HHs affected households in Nghi Phu resettlement site with 9.1 ha of agricultural land affected; there is no relocated household.

Component 2: Water Supply and Environmental Sanitation Improvements; including (1) The Northern Canal is 1.4km long, with many household living along its sides. Land acquisition is minimized necessarily for the canal and its sidewalks works by construction onto the existing one with acquisition of 35 ha of land from 166 household, in which is 0.6 ha of residential land and 34.4 ha of agricultural land; 11 households to be relocated; (2) Upgrading and rehabilitation of lakes around Vinh ancient citadel where local residents have been lived for years with many buildings of extension due to poor landing management, which land acquired are 2.7 ha residential land from 283 households, and of which 92 HHs will be relocated; and (3) upgrading Cua Nam lake which acquires 2.7 ha of public land managed by State, thus there is no household need to be relocated.

Component 3: Urban Roads and Bridges; including (1) Vinh – Hung Tay Road is 6.2km long involving in the estimated land acquisition of 35ha from about 614 affected households, in which 199 households who would be lose 20% or more of their total agricultural land holding and/or relocated; and (2) the Road connecting NH 46 with embankment along Lam river (with total 8.2 km long) – the acquired land is approximately 26.8ha from 670 affected households, in which around 106 ones are relocated.

The households’ impacts are provided in the table below:

<table>
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<th>Component</th>
<th>Permanent impact</th>
<th>Temporary impact</th>
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<tr>
<td></td>
<td>Affected amount</td>
<td>Partially impacted</td>
</tr>
<tr>
<td>Component</td>
<td>(ha)</td>
<td>(HHs)</td>
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15. The full-scale of land acquisition, resettlement impacts, other impacts as well as final data on the acquired land area, houses, structures, crops, trees and other lost properties, exact number of affected and relocated households will be identified in the Resettlement Plans for each component.

III. Institutional Framework and Entitlement Policy

3.1 Institutional Framework

16. Responsibility for compilation and implementation of RPF and RP is as follows:

(a) The general duty of the policy framework implementation and resettlement plan establishment belongs to the Vinh City Urban Development Project Management Unit, Nghe An province (hereinafter referred to as the Project Management Unit (PMU). The PMU will be responsible for preparation of census, socio-economic surveys, reports and dealing with daily works within their scope of responsibility. The PCs of urban districts and wards/communes will take part in the activities mentioned in the RP report. These administrative units will also ensure the active and effective participation of DPs in the RP preparation and implementation. To ensure that the RP report is acceptable to the WB and the RPs, which are implemented smoothly, the PMU shall be liable for: i) prepare RP reports or employ experienced consultants to prepare the RPs; ii) assign officials who are experienced in social safeguard policy to work in the PMU office and the Committees of compensation, assistance and resettlement at the city and/or district levels.

(b) The Fund for the compensation, assistance and resettlement of the project will come from the counterpart fund. The cost for construction of project resettlement sites (if any) and the cost for the independent monitoring and independent price appraiser(s) will come from the IDA loan.

3.2 Legal Framework

17. The GOV’s legal framework: The main laws and decrees relating land acquisition, compensation and resettlement applied in Vietnam and regulations of cities/provinces include:

- The 1992 Constitution of the Socialist Republic of Vietnam certifying amended in 2001 confirmed the housing ownership of citizens and protection of their housing ownership;
- The 2003 Law on Land issued on 26 November 2003;
Decree No.181/2004/ND-CP dated 29th October 2004 guiding the implementation of the amended Law 2003 on Land;

Decree No.197/2004/ND-CP dated 03/12/2004, regulating compensation, assistance and resettlement when the State acquires land;

Decree No.188/2004/ND-CP dated 16/11/2004 providing method of land price calculation and the Tariff for all types of land;

Circular No.01/2005/TT-BTNMT on April 13, 2005 of Ministry of Natural Resources and Environment guiding the implementation of some articles of Decree No.181/2004/ND-CP dated October 29, 2004 by Government on the implementation of the Land Law.


Decree No.17/2006/ND-CP dated 27th January 2006 of the Government on amendment and supplementation to a number of articles of the decrees guiding the implementation of the Land Law and Decree No.187/2004/ND-CP on conversion of State-owned companies into joint-stock companies;


Decree No.84/2007/CP dated 25th May 2007 providing additional regulations on issuing certificate of land use right, land acquisition, implementation of land use right, procedures of compensation and resettlement upon the State’s recovery of land and grievance redress about land;


Decree No.69/2009/ND-CP dated 13/08/2009, regulating additional planning of land use, land prices, land acquisition, compensation and resettlement assistance;


Decision No.04/2010/QD-UBND dated 19/1/2010 issued by Nghe An province’s PC on regulations on compensation, assistance and resettlement upon the State’s land acquisition in the area of Nghe An province.

Generally, Land Law 2003 and the latest Decree of Vietnam, which provide the regulations on compensation, assistance and resettlement when the State recovers land, meet most of the policy objectives of the World Bank on the involuntary resettlement.

3.3 World Bank’ Policy on Involuntary Resettlement

18. The World Bank’s experiences indicate that involuntary resettlement caused by development projects, if unmitigated, often raises severe economic, social, and environmental risks. Production systems are broken; people face the impoverishment when their productive assets or income sources are lost; people are relocated to new environments where their productive skills may be less applicable and the competition for resources is greater;
community institutions and social networks are weakened; kinships are dispersed; the cultural identity, traditional power, and the potential for mutual help are diminished or lost. Thus the World Bank’s policy regulated by OP 4.12 includes the safeguards to address and mitigate these impoverishment risks.

19. The basic guiding principle of the World Bank resettlement policy is:

(a) Involuntary resettlement should be avoided as much as possible or minimized by bringing out optional measures in the process of technical design;

(b) Wherever involuntary resettlement is unavoidable, resettlement activities should be aware of and executed as sustainable programs, necessary to supply enough investment sources to help adversely affected persons to share project’s benefits. Directly or indirectly affected persons must be consulted and participated in the process of planning and implementing the resettlement programs.

(c) DPs’ efforts must be assisted to improve their living conditions and income, or at least to recover as same as their previous living standards before the Project is implemented.

20. Eligibility for Compensation:

20.1 Eligible DPs, who must resettle or are affected by the project, are entitled to the compensation for their losses including:

(a) those who have legal rights to land or other assets;

(b) those who do not have legal rights to land or other assets at present but have submitted a claim to such land or assets in accordance with the regulations in the laws of Vietnam based on such records as bills of land tax, certificates of residence status local authorities’ permission on occupation and use of project affected land; and

(c) those who have illegal right or no claim to the land they are occupying.

20.2 The World Bank’s resettlement policy objectives are to avoid involuntary resettlement, if possible; to minimize the involuntary resettlement, project survey and design alternatives should be made; to improve, or at least restore, the livelihoods of all DPs in real terms relative to pre-project levels; and to improve the standards of living of the displaced poor and other vulnerable. In case of any land/assets impacted as above mentioned in Article 20.1, a resettlement plan will be prepared and implemented for any identified subjects.

20.3 Persons belonging to Points (a) and (b), Clause 21.1 are provided with the compensation for land and other assistance. Persons belonging to (c) are provided with resettlement assistance in lieu of compensation for their land they occupy, and other assistance, if necessary, to achieve the objectives of this policy, if they own the project land prior to a cut-off date determined in the RPs. Persons who occupy land after the cut-off date determined in the RP are not entitled to the compensation or any other resettlement assistance.

20.4 In case, the project component(s) result in adverse impacts on the livelihoods of displaced persons, measures to assist displaced persons to improve (or at least restore in real terms to pre-project or pre-displacement levels, whichever is higher) their livelihoods will be prepared during the resettlement plan preparation. During the implementation phase, monitoring will be implemented to determine if they have achieved livelihood restoration through these means; and if not, further special assistance package(s) will be proposed to ensure the DP’s full livelihood restoration.
20.5 This policy is applied for all the components of the subproject that relate to land acquisition and resettlement, no mention to the source of funds. This policy is also applied for other activities relating to resettlement, which according to the WB it (a) relates directly and significantly to the projects which are funded by the World Bank, (b) is necessary to achieve the project’s objectives as presented in the prepared report and (c) is implemented or prepared simultaneously with the project. In these cases, the due diligence reports will be implemented.

21. Valuation and compensation for losses: The methods which are applied for the valuation of losses in the WB funding projects are based on the replacement costs. For this project, the losses consist of damages to land, structures and other assets and trees and crops. The replacement costs of land include land values, which are defined in accordance with the market prices, plus the fees for obtaining certificates of land use right. For the affected houses and other structures, the valuation is based on the market prices of construction materials and labor costs to be able to build a replacement house of the same quality and size at least equivalent to the old houses. For the structures, which are partly or totally affected, the compensation value include the market prices of building materials plus transportation and labor costs and contractor costs, registration fees and transfer taxes. Asset depreciation and material value that can be salvaged by affected households are not deducted. During the implementation phase, an independent land appraiser (s) will be mobilized to survey and propose a set of replacement costs for all types of affected land (both agriculture and residential land) and assets (include assets, structures, trees, farm produces...), to be basic for Nghe An PPC to approve the compensation price.

22. The comparison of the GOV and WB’s policies: The way of acknowledging and solving issues by the GOV both in terms of policy and practice is quite suitable with the guidelines of the WB. The most important domains include:

- Vietnam has procedures that allow most people who have no legal land use right but can satisfy conditions on regularization are compensated for their losses.
- Persons, regardless of their permanent residence registration or not, eligible title to the land are provided with such options as relocation to a better resettlement site or receiving cash compensation, or combination of both resettlement site and receiving in cash.
- A new resettlement site for DPs is not only a better infrastructure and public services but also has higher living condition.
- Assistance to help DPs in the transition period and arrangement of organizations through which people can be informed and negotiated about their compensation and can raise their voice of grievances.
- For households, who are not eligible for the compensation, the Government utilizes supports. According to the World Bank policy, these supports must be made to ensure that affected persons can restore their living conditions.
- The principle, condition for land compensation are defined as in Article 44, 45 and 46, Decree 84/2007/ND-CP; Article 14 Decree 69/2009/ND-CP dated 13/08/2009 issued by GoV and Article 6 Decision 04/2010/QD-UBND dated 19/01/2009 issued by Nghe An People Committees which indicated that, those with acquired land which is being used for a particular purpose will be compensated with new land suitable for their same purpose. If such new land is unavailable, compensation will be calculated based on the value of the land use rights at the time of the land acquisition. If there is a difference between the value of the compensation and the new land or house, the difference can be paid in cash.
# Table 1: Differences between National Laws and the World Bank Policy and MCDP Policy

<table>
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<tr>
<th>Key Issues</th>
<th>National Laws</th>
<th>World Bank Policy</th>
<th>Project Policy</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-titled users</td>
<td>Decree 69/2009, Article 14 (replacing Decree 197/2004, Article 6), the Peoples’ Committees of the provinces or centrally-run cities shall consider providing such support on case-by-case basis.</td>
<td>The absence of formal legal title to land by some affected persons should not prevent compensation.</td>
<td>All project-affected people, irrespective of tenure status, social or economic standing, will be entitled to be compensated or assisted for their lost assets, incomes, and businesses, at full replacement cost and provided with rehabilitation measures sufficient to assist them to improve or at least restore their pre-project living standards, income levels and productive capacity.</td>
</tr>
<tr>
<td>Compensatioon of land at replacement cost</td>
<td>Decree 123/2007 (amending Decree 188/2004), sets price limits of land and authorizes Provincial Peoples’ Committees to set local land prices by establishing ranges for all categories of land and land prices in each category. The price limit would not be allowed to exceed a bench-mark price by more than 20 per cent nor undercut the benchmark price by more than 20 per cent. However, in remote, isolated areas, or an area with socio-economically difficult conditions, poor infrastructure, when the actual price of land in the market is lower than minimum price limit in the Decree, the PPC will adjust the specific price to be applied locally and report it to the Ministry of Finance.</td>
<td>Compensate or assist all affected persons, including those without title to land, for all their losses at replacement rates.</td>
<td>Replacement cost surveys have to be carried out to ensure that project compensation rates for all categories of loss will be equivalent to replacement cost to be updated at the time of resettlement implementation.</td>
</tr>
<tr>
<td>Article 11 of Decree 69/2009ND-CP stipulates that, If at the time of land recovery, the land price specified by the PPC is different to the actual market price under normal conditions, the PPC shall determine the land price again so that it is specific and suitable.</td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Non-registered business</td>
<td>Decree 197/2004, Articles 26-28: Only registered businesses are eligible for assistance.</td>
<td>For non-land assets, all eligible affected people, whether titled, legalizable, or non-titled, need to be compensated at replacement cost, through cash or replacement assets. Included among these DPs are renters of buildings, tenants and employees of affected businesses.</td>
<td>Non-registered businesses will be eligible for cash or in-kind assistance, this includes renters of structures, tenants and employees.</td>
</tr>
<tr>
<td>Provision of rehabilitation assistance</td>
<td>Decree 69/2009, Article 20 &amp; 22: All DPs losing agricultural land are entitled to rehabilitation assistance (job creation; training). DPs losing 30% or more of productive land will be entitled to living stabilization allowance. Decree 17/2006 strengthens this provision and provides for long-term assistance to poor households.</td>
<td>Payment of cash compensation may be appropriate where livelihoods are land-based, but the land taken for the project is a “small fraction” of the affected asset and residual is economically viable. As a general principle this applies if the land taken is less than 20% of the total productive area. As per the WB policy, “minor” impacts are considered if affected people are not displaced and less than 10% of their productive assets are lost.</td>
<td>Living stabilization allowance is provided to DPs losing 20% or more of total productive land. Similarly, the project will provide living stabilization allowance for vulnerable affected people losing 10% or more of their productive land.</td>
</tr>
</tbody>
</table>
IV. Compensation, Assistance and Resettlement Policy

4.1 Objectives

23. The objectives of the Vietnamese legislation relating to resettlement and rehabilitation, and that of the World Bank concerning involuntary resettlement, have been adapted for the preparation of this Resettlement Policy Framework (RPF). The objectives are set out below. An Entitlement Matrix is shown in Appendix 1. The policies and principles adopted for the subproject supersede the provisions of relevant decrees currently in force in Vietnam wherever a gap exists between the World Bank (OP 4.12) and the Vietnamese Law.

24. The RPF’s main objective is to ensure that all Displaced Persons (DPs) will be compensated and/or assisted for their losses and provided with rehabilitation measures to help them in improving, or at least maintaining their pre-project living standards and income earning capacity.

4.2 Project Displaced Persons (DPs)

25. Displaced People (DP) are those who are affected by:

(i) Involuntary land acquisition resulting in:

(a) relocation or loss of shelter;
(b) loss of assets or access to assets;
(c) loss of income sources or means of livelihood, whether they must move to a new residence or not; or

(ii) Involuntary restriction of access to prohibited or protected forests, resulting in adverse impacts to their means of support of the displaced persons.

4.3 Principles and Objectives

26. The main objective of the resettlement policy framework is "to ensure that all project affected persons are entitled to the compensation of their properties based on replacement prices and access the support policies that help them restore, improve their living standard or at least maintain their living conditions and earning capacity same as the time prior to the project implementation”.

27. The principle for project resettlement policy will be as follows:

(a) The land acquisition and asset impacts as well as resettlement of DPs must be minimized at least.
(b) All DPs residing, working, doing business or doing farming on land, which will be acquired by the Project, before the cut-off-date are entitled to the rehabilitation measures sufficient enough for them to improve or at least maintain their pre-project living standards, income earning capacity and production levels. Lack of legal rights to acquired land will not bar DPs from the entitlement to access such rehabilitation measures.

(c) The rehabilitation measures to be provided are: (i) compensation at replacement costs without deduction for depreciation or salvage materials for houses and other structures; (ii) agricultural land is compensated 100% by cash at replacement cost; (iii) replacement of residential land (if any) by an equal residential land, which is suitable to the DP; (iv) allowances for transportation and subsistence and (v) allowances for business/income rehabilitation.
(d) Replacement residential and agricultural land will be as nearby affected land as possible and suitable to DPs. In case acquired land includes minor fractions of land (i) less than 20% of total agricultural land of a household and in case of vulnerable people – less than 10% (ii) smaller than the standard area for residential land to be resettled), cash compensation may be applied at the choice of DP or if there is not available land for “land-for-land” compensation.

(e) The resettlement transition period should be at the shortest and the rehabilitation means shall be provided to DPs no later than one month prior to the expected start-up of works at the respective project site.

(f) The plans for land acquisition and other assets and the provision of rehabilitation measures must be carried out in consultation with DPs to ensure minimal disturbance. Entitlements shall be provided to DPs no later than one month prior to the expected start-up of works at the respective project site.

(g) The previous level of public services and resources shall be maintained or improved.

(h) Budget for land acquisition, resettlement and rehabilitation shall be available in the project implementation stage. Physical resources for resettlement and rehabilitation shall be available when there is requirement of resettlement and rehabilitation.

(i) The WB shall not approve any construction contracts for any subprojects financed by the WB loans unless the Government satisfactorily completes and abides by the clauses of the approved RPs for compensation payment of such subprojects and ensures that rehabilitation assistance funds are available prior to the starting of civil works. Entitlements will be provided to DPs no later than one month prior to expected start-up of works at the respective project site.

(k) The implementation arrangements must ensure the effective and timely design, planning, consultation and implementation of the Resettlement Plans (RP).

(l) Appropriate reporting, monitoring and evaluation mechanisms shall be identified and set in place as part of the resettlement management system. Evaluation of the land acquisition process and the final outcome will be conducted independently from the executing agencies.

4.4. Entitlement Policies

4.4.1 Compensation Policy for Loss of Agricultural Land

28. DPs who are affected by the subproject will be entitled to the compensation and support as following:

Legal and legalizable land users:

(i) if the portion of the land to be lost presents less than 20% of the total agricultural land of a household (the portion of the land to be lost is less than 10% of the total agricultural land, if they are the poor or vulnerable) and the remaining land is viable, the household will receive cash compensation for the acquired area at 100% replacement cost, in addition support for the vocational training and job changes.

(ii) if the portion of the land to be lost presents 20% or more of the total agricultural land area distributed for a household (the portion of the land to be lost is 10% or more, if they are the poor or vulnerable), in addition to the cash compensation at 100% replacement cost for the lost area (or for the entire affected area if the remaining area of the plot of land is not viable), in addition support for the vocational training and job changes, subsistence allowance.
(iii) For Households/individuals who have legal land using rights, whose acquired ponds and gardens are in a same plot of land where there are their houses but such land is not identified as residential land, pond and gardens have houses, and whose pond and garden, house located along canals and roads, in addition to the compensation for agricultural land or garden land, they will be supported by 50% of the average residential land prices in this area. This support area does not exceed 5 times of the local quota of residential land allocation. The remaining agricultural land area (if any) will be compensated in cash equivalent to 35% of adjacent residential land.

(iv) For Households/individual whose agricultural land locates in the boundaries of administrative wards, in rural residential areas, has at least one side contiguous boundaries of ward, boundaries of residential sites, in addition be compensated by 100% replacement costs of agriculture land, they will be supported 35% of the residential land price on average of surrounding area, where land is acquired, in accordance with the local land prices prescribed every year. The supported area is the acquired area which does not exceed 5 times of the local standard quota of land allocation at the acquisition time. These DPs are also eligible for a residential land plot (with payment of land use fee) in resettlement site if the assistant value is equal or greater than the price of a minimum plot of land in a resettlement site. The different value will be reimbursed in cash. The remaining agricultural land area (if any) will be compensated at 100 replacement cost, in addition to support for vocational training and job changing; the support will be five (05) times of an agricultural land price for the whole acquired area. If the portion of the land to be lost presents 20% or more of the total agricultural land area distributed for a household (the portion of the land to be lost is 10% or more, if they are the poor or vulnerable), they will be supported for the subsistence allowance.

Users with temporary use or leased land:

(i) if the portion of a land to be lost present less than 20% of their total land holding, they will be compensated at the amount corresponding to the remained investment in the land or 30% of land replacement cost.

(ii) if the portion of land to be lost present 20% or more of the total land holding, the DPs will be given priority to a compensation of other land for temporary use (if any), or, in request of DPs or if there is no available ‘land for land’ compensation, the cash will be replaced at the amount corresponding to the remain value invested in the land or by 30% of the land replacement cost.

If the value of the remained investment is greater than 30% of its replacement cost, the Resettlement Committee and PMU will review case by case and adjust accordingly.

Users who are not eligible for land compensation

(i) In lieu of compensation for land, DPs will receive an assistance corresponding to 60% of the replacement cost of acquired land.

(ii) For the poor and the vulnerable, including landless families, local authorities will prioritize them agricultural land equal to the local land allocation quota as regulated by Decree 64/1993/CP, or, if there is no land available or, at the DPs’ choice, in addition to the above support, a package of vocational training and job creation which is two fold of the minimum the agricultural land price for the whole acquired area will be provided, but will not exceed the local quota of the agriculture land area allocation.
(the excess of quota will be paid by the replacement cost). In case, households need a vocational training, they will be admitted to a vocational center in the province and are exempted from tuition fees for such training course (regardless of level of primary, secondary training and vocational college) for those in the working age (not applicable for those who enroll for a vocational training outside the province).

When affected persons utilize the public land (the clearance space or Right of Way of the social works), which must be returned when the state acquires land, they (DPs) will not be compensated for this public land but will be compensated 100% replacement price for crops and trees.

Support for public land of communes, wards, towns and agriculture cooperatives: these organizations will be entitled to the compensation in cash for their acquired land by 100% agriculture land prices. The assistant cash must be paid for the budget of communes, wards and agricultural cooperatives. This budget is only used for constructing infrastructural works or for the public purposes of the wards and agricultural cooperatives.

4.4.2 Compensation Policy for Residential Land

29. General policy for affected residential land is “land for land” with relevant quality. If land is not available, users whose residential land is affected will be compensated as follows:

a) **DPs losing partly/entirely residential land without structures thereon:**

**Land users who are eligible for land compensation:**

(i) Compensation for loss of land which is less than 80m² in cash at 100% replacement cost to land users;

(ii) Affected households, whose acquired land is more than or equivalent to 80m² while the remaining area is sufficient enough to built house, will be compensated in cash for the acquired land at 100% replacement cost and allocated the resettlement land where they must pay land use fee;

(iii) Affected households, whose land acquired totally, will be paid at 100% replacement cost and allocated land at resettlement site where they must pay land use fee.

(iv) Affected households provided in item (ii) and (iii), whose acquired land area is equal or more than 80 m², where many generations or many members are living together (many couples), or which have been inherited, given, offered, transferred with land use right under certifying signatures of the relevant but the procedures for land use right transfer and sharing right of land use are not completed, shall be considered to be allocated one more plot of residential land which they have to pay land using fee. However, the additional allocated land shall not be bigger than acquired land area.

**Land users who are not eligible for land compensation.**

The Project will provide assistance by cash for the investment values remained on the land equivalent to 30% of the land replacement cost, to land users having no legal land use rights.

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4 Quota for Allocation of residential land and pond/garden land in the eligible residential land plot is definite in the Land Law 2003, Item 1, 2 và 5 Article 50,Article 83, 84,87; Article 44,45,46,47 Decree 84/2007/NĐ - CP issued by GoV and Decision 04/2010/QĐ - UBND dated 19/1/2010 issued by Nghe An province.

5 For DPs who are not eligible to compensation will need to implement the State’s financial obligation on payment of land use fee.
b) DPs losing residential land built with structures thereon and the remaining land is sufficient to rebuild these structures (DP reorganize by themselves):

**DPs who are eligible for acquired land compensation:**

(i) In case, the acquired land is less than 80 m² and the remaining land is sufficient to live, compensation for loss of land will be in cash at 100% replacement cost;

(ii) In case, the acquired land is equal to or over 80m² and the remaining land area is sufficient to live compensation for loss of land will be in cash at 100% replacement cost; if the acquired land area is large and the households have many generations or many members living together (many couples) or households have been inherited, given, offered, transferred with land under the certifying signatures of the relevant but the procedures of land use right transfer and sharing right of using the acquired land plot are not complete, the households shall be considered to be allocated one more plot of residential land which they must pay land using fee. However, the additional allocated land shall not be bigger the acquired land area.

**DPs who are not eligible for acquired land compensation**

Compensation by cash for the investment values remained on land, which are equivalent to 30% of the replacement cost, to the users having no legal land use rights.

c) DPs losing residential land built with structures thereon and the remaining land is not sufficient to rebuild these structures (relocated DPs) will be entitled to:

**The DPs, who have legal or legalizable rights to the affected land compensation,**

(i) Compensation by cash for the acquired land at 100% of the replacement cost, in addition to allocation of land plot (with payment of land use fee), at the location that acceptable to DPs.

(ii) In case of significant acquiring residential land and a household has many generations or many members living together (many couples) or a household has been inherited, given, offered, transferred with land under certifying signatures of the relevant but the regulated procedures of land use right transfer and sharing right of using the acquired land plot are not complete., they shall be considered to be allocated one more plot of residential land which they must pay land using fee. However, the additional allocated land shall not exceed the acquired land area.

**The DPs, who do not have legal or legalizable rights to the affected land,** are entitled to the followings:

(i) Regarding the DPs who already have residence somewhere else in the same wards/communes where they are affected, the Project will provide an assistance amount corresponding the remained investment on the land, or equal 30% of the land replacement cost.

(ii) Regarding the poor or vulnerable DPs who have no other residential land in the same wards/communes when their land is acquired, the Project will provide (i) a minimal residential plot land at a common resettlement sites or an individual resettlement site with full titled to the land; or, (ii) on request of the DPs, as they are well informed, the Project will give an assistance amount corresponding 60% of the replacement costs of the acquired land for them to rearrange relocation by themselves.

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6 The DPs who are not eligible for land compensation is under group as mentioned in Item 4, Article 14, Decree 84/2007/ND-CP.
4.4.3 Compensation Policy for Loss of Houses/Structures

30. The Compensation Policy for Loss of Architectures/Structures is as follows:

For affected House and Structures:

Those whose structures are affected will be entitled to the following:

(i) Compensation in cash for all affected structures at 100% replacement cost, regardless of whether or not they are eligible for the compensation to their affected land or got permits to build the affected structures or construction permits. The compensation amount must be sufficient to rebuild a structure the same as the former one at replacement cost.

(ii) If houses/structures are partially affected, the remaining structures can not be used, the Project will compensate for the whole structures at 100% replacement cost. If the houses/structures are partially affected, the remaining structures can be re-used, the Project will provide repairing costs for affected structures at 100% replacement costs to restore them to the former or better conditions.

(iii) The compensations and assistances will be provided in cash. No depreciation or deduction of salvageable materials will be made.

For affected graves:

The levels of compensation for the removal of graves will be cover all costs of excavation, relocation, reburial, spiritual performance and other suitably related costs by replacement costs. Specific graves will be compensated according to their design structures and cost estimates; if there is no resettlement land, assistance in cash of 2,000,000 VND/grave will be provided for each household. The compensation cash will be paid to each affected household.

Tenants (who rent state houses):

The tenants of State or organizations’ houses will be provided assistance equal to 60% of replacement costs of the affected house area and affected land area. The areas of houses/structures legally owned and built by the DP themselves which have authorized permission will be compensated at their full replacement costs. In case, the construction of the structures have no authorized permission or violate the regulations, the assistance equal to 100% of replacement costs will be provided based on the PPC’s Decision. If the tenants request new renting houses or buying new houses, they are entitled to rent or buy a new apartment of the same area with their affected ones.

The tenants who have leased private houses for residential purposes will be provided with the assistances equal to the remaining values of the rental contracts, which are not higher than the rental values for six months of such houses, and the transportation allowance of 1,500,000 VND for moving their belongings as well as their looking for new residence.

4.4.4. Compensation Policy for Loss of Standing Crop and Trees

31. For affected annual crops and perennials, regardless of the legal status of the land, compensation will be paid to households who cultivate on the land, according to the full replacement costs of the affected crops and/or at replacement costs for affected perennial trees.
4.4.5 Compensation Policy for Loss of Income and/or Business/Productive Assets

32. For business/productive organizations/families whose income sources and/or business/productive assets are affected as a result of land acquisition, the compensating mechanism will be:

(i) Compensate or support in cash for income losses in the transition period equivalent to 50% of their actual annual income after taxes (equivalent to 6 months). The amount of compensation will be based on their average yearly income declared with taxation agency over the previous three years.

(ii) Compensate for affected business structures or productive assets at their full replacement cost of the structures/assets without any depreciation; and,

(iii) If the business locations are relocated, the provision of alternative business sites, equal to the sizes of the business and suitable for DPs will be provided, or, the compensation in cash for the business affected areas at replacement costs, and transportation allowances to remove movable assets will be paid.

4.4.6 Compensation for Temporary Impacts during Construction Stage

33. For temporary loss of land and properties, DPs are entitled to the following:

**For temporarily affected agricultural land:**

(i) Compensate for one harvest of crops/trees at full market prices

(ii) Compensate for loss of net income from subsequent crops that cannot be planted in the duration of project temporary use, and

(iii) Restoration of land to its original or better quality, and

(iv) If the Project uses land for more than two years, the DPs have options to: 1) Continue using land, or, 2) “Give it to the Project and receive compensation as permanently acquired land.

**For temporary loss of residential land:**

(i) Compensate for all affected properties on land at full replacement costs.

(ii) Restore land to its original or better quality.

**For temporary impacts on business:**

(i) Compensate for temporary losses of income, equivalent to an average monthly net income for at least three months.

(ii) Compensate all affected properties on land at full replacement costs.

(iii) Restore land to its original or better quality.

**For damages caused by contractors to private or public structures in the construction stage:**

(i) The Contractors will restore all damaged properties immediately after their completion of the civil works to their original or better conditions.

(ii) Under their contract specifications, the contractors will be required to be due diligent to avoid damaging properties during their construction. Where damages occur, the contractor must compensate immediately to affected families, groups of people,
communities, or government agencies at the same compensation rates that shall be applied to all assets affected by the Project. In addition, damaged properties must be restored soon after the completion of the works to their origin conditions.

4.4.7. Compensation for Secondary DPs

34. This applies to those who are affected by the development of individual resettlement sites or group resettlement sites. Because all secondary DPs are likely to be affected as primary ones, they will be entitled to the compensation and rehabilitation assistance in accordance with the same respective provisions for all DPs.

35. In addition to two (02) above mentioned project resettlement sites, in order to meet DP’s demand on on-site resettlement, the PMU in coordination with Vinh City have selected and developed seven (07) resettlement sites at communes of Hung Hoa, Hung Dong, Hung Tay, Nghi An and Nghi Duc with proposed area of 15.2 ha. The entitlements for DPs to be lost with productive land by the resettlement site construction will be those mentioned in this RPF.

4.4.8 Compensation for Affected Public Utilities

36. In cases, when such community infrastructures as schools, bridges, factories, water sources, electric supply, roads, water supply, drainage systems are damaged, the City PCs and the PMUs will (i) compensate for the affected parts of structures at 100% replacement costs; or (ii) compensate equivalent structures to the affected ones.

4.4.9. Rehabilitation Allowance and Assistance in Transition Period

37. The DPs whose agriculture land affected, in addition to above mentioned compensation payment, will be entitled to receive allowances of:

(i) Support for vocational training and job changes: the minimum support will be five (05) times of the agricultural land price for the whole acquired area but not exceed the local quota of agriculture land allocation. And if the portion of the land to be lost presents 20% or more of the total agricultural land area distributed for a household (the portion of the land to be lost is 10% or more, if they are the poor or vulnerable), they will be allocated a residential land plot in a resettlement site (with payment of land use fee) with condition that assistance values is equal or more than minimum values of a residential land plot in the resettlement site. The difference is compensated by cash.

In case of households, who are entitled to the support under this regulation, need vocational trainings, they will be admitted to a vocational center in the province and are exempted from tuition fees for such one training course (regardless of the levels of primary, secondary training or vocational college) for those in the working age (not applicable for those who enroll for a vocational training outside the province)\(^7\). The forms of assistance for vocational training should be consulted closely with the entitled DPs to ensure appropriate and effective measures for them to restore their income capacity and income levels.

(ii) If an acquired land is equivalent to or more than 20% of a household’s total agricultural land area (the portion of the land to be lost is 10% or more, if they are the poor or vulnerable), the household will be compensated with money equivalent to

\(^7\) Based on Decree 69/2009, all households whose agriculture land is affected by the project will be entitled to participate in vocational training program, that fee for the training course is calculated as compensation/assistance expenses.
30kg of rice/person/month within 6 months if they have not to resettle and within 12 months if they have to resettle. Affected households, whose agricultural land is acquired more than 70% of their agricultural land, they will be assisted for living stabilization for 12 months if they have not to resettle and 24 months if they have to resettle.

(iii) Support for the poor households: according to the criteria the Ministry of Labor, War Invalids and Social Affairs (MOLISA) set for each period and the Local Authority’s Labor, War Invalids and Social Affairs confirm, they will be supported VND 3,600,000 per person for urban household and VND 5,766,000 per person for rural household;

38. The DPs whose residential land affected, in addition to above mentioned compensation payment, will be entitled to receive allowances of:

(i) Transportation allowance: Households who (i) move to new residence within the wards/communes will receive 2,000,000VND/household; (ii) move to other wards/communes will receive 3,000,000VND/household; (iii) move to other districts in the province will receive 4,000,000 VND/household, and (iv) move to other provinces, will receive maximum support of 6,000,000VND/household

(ii) House renting allowance during building new houses: Those who have houses on recovered land are eligible for resettlement allocation will be supported for house rent of 1,000,000 VND/household/month during 06 months. If after 06 months, the authorized agency has not arranged new locations of resettlement for them, the City People's Committee will decide to support more house renting cost for DPs till they receive locations of resettlement and support more 06 months for house renting during their building new houses

(iii) Support for the poor (identified by local authorities in accordance with MOLISA criteria), policy families: (i) support VND 3,600,000 VND/person to urban poor families; (ii) support VND 5,766,000 VND/person to rural poor families and (iii) further support VND 2,000,000 to policy persons who have permanent registration in families (which are certified by the district departments of labor, war invalids and social welfare).

39. The relocated households, who are entitled to the resettlement plots of land in the resettlement sites but relocate by themselves (by written official commitments), are supported by cash equivalent to the infrastructure investments for the same land plots in resettlement sites (the investment unit prices and rates in resettlement sites will be decided by the PPC).

40. All displaced households/individuals who lose entire residential land and have to move are entitled to the houses/land in the resettlement sites, however, the compensation amount for their affected houses/land is smaller than the values of the minimum house/land in the resettlement sites they will be supported these differences. In case, they do not receive houses/land in resettlement sites, they will receive the differences in cash.

41. Affected households are not entitled to the compensation for residential land but have no other land/houses for live in their wards/communes where land is acquired, the City PC will review to provide them with land plots in resettlement sites with land use fee payment, on a case by case basis.

42. Bonus: Land users, who comply with the relocating their assets, crops, handing over the land in time and meet the requirements of the subproject owner will be awarded depending on the types of architecture, on average the bonus is 3,000,000 VND per household.
4.4.10. Rehabilitation Measures

43. The PMU, with the cooperation of the City’s RC, related consultants, will conduct market surveys, identify requirements of households to build and develop a program of comprehensive economic recovery, to ensure the economic recovery for households, including but not limited to training activities, credit loans.

44. During the implementation phase, monitoring will be applied to test the livelihoods of households have recovered under the policies or not, in the case of livelihood is not restored, the additional support package supplement will be proposed to Vinh city PC in order to assistance the rehabilitation of livelihoods of DPs soon.

4.4.11 Compensation Policy For New Group Of DPs And Affected Types

45. If there are some new affected groups and affected types that are not mentioned in the indicated RP or miss in the RPF, the Committees of compensation, assistance and resettlement of the city and the PMU will review and update to propose these cases to the province/city PCs for suitable amendments with the RPF with acceptance from WB.

4.5 Selection And Preparation Of Resettlement Sites

46. If affected DPs are relocated because of the project impacts, which require resettlement sites, the PPC and local authorities will provide information to DPs including alternative relocation sites and criteria to select resettlement sites in the RP, covering:

(a) Institutional and technical arrangements for identifying and preparing resettlement sites, which include the productive potential, terrain advantages, and other necessary factors comparable to the acquired residences, with the time estimated to acquire and transfer land and ancillary resources;

(b) Measures necessary to prevent land speculation or ineligible influx of people to the selected sites;

(c) Procedures for physical relocation under the project, including timetables for site preparation and transfer; and

(d) To allocate land and issue the land use rights certificates for households/ individuals.

(e) Houses, infrastructures, and social services. Plans to provide (or to finance for the resettlement) houses, infrastructures (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host population, including necessary development, engineering, and architectural designs for these facilities in the resettlement sites.

(f) Description of boundaries of the relocation areas; and an assessment of the environment impacts of the proposed resettlement sites and mitigation measures to control these impacts (coordinated as appropriate with the environment assessments of the main investments requiring the resettlement sites).

V Institutional Arrangements

47. The implementation of resettlement plan requires the involvement of agencies at the national, provincial, district and commune levels. Each provincial people's committee will take general responsible for the implementation of the general policy framework and specific resettlement plan of the subproject. It is agreed that experienced qualified PMU staffs will be
selected to respond to the project social – environmental safeguards. They need to comply with established procedures from the initial stage. Staffs and their professional profile and training required will be agreed with the WB. Furthermore, Resettlement committees shall be established at city’s level according to the provisions of Decree 197/2004/CP, Decree 84/2007/CP and Decree 69/2009/CP. The provisions and policies of the RPF and the RPs will form the legal basis for the implementation of compensation and resettlement activities in the Medium Cities Development Project in Vietnam.

5.1. Provincial People Committee (PPC)

48. The PPC in each involved province is responsible or authorize the city PC to set up and direct a provincial resettlement appraisal council in accordance to the needs of the project. The PPCs or authorized city PC will take overall responsibility as follows:

(i) Approve the land acquisition and allocation in the Project;
(ii) Make final decision and release unit prices, the compensation and assistance levels, and support policies for affected persons and vulnerable groups based on this Policy Framework and the approved RPs;
(iii) Provide full budget for the resettlement activities;
(iv) Ensure that the resettlement activities of the sub-project are in accordance with the RPF and the approved RPs;

5.2. City People’s Committee

49. The City People’s Committee is responsible for determining legal rights to land and structures on land, land acquisition and land allocation (residential land), appointing the Committee of compensation, assistance and resettlement of the city and assigning duties and functions to the Committee/Council of compensation, assistance and resettlement.

(i) Set up a PMU and an department of compensation, site clearance, assistance and resettlement;
(ii) Evaluate and approve the resettlement plans after the final drafts are approved by the World Bank;
(iii) Direct the coordination among the concerned agencies and the provincial departments to implement the compensation, assistance and resettlement in accordance with the approved RPs;
(iv) Approve the Compensation, Assistances and Resettlement Plans.
(v) Approve and be responsible for the accuracy and legality of proposed compensation policy.
(vi) Issue the certificates of land use rights in resettlement sites and revoke the certificates of the land use rights, house use rights and other asset use rights on land from families/persons whose land is acquired in full; revise and adjust the cadastral records, certificates of land use rights, house use rights and other asset use rights on land from families/persons whose land is acquired in part, under the authority of the City People's Committee;

City’s Resettlement Committees

50. The compensation, assistance and resettlement committee/council (CRC) of the city is responsible for:
(i) planning and implementing all daily RP activities within the city;

(ii) directing and monitoring the resettlement specialist (s) in charge of the inventory for land acquisition, completion of compensation prices, preparation of synthesis tables of compensation, review of compensation, assistance and resettlement plans to submit the PCs of the provinces or cities (if authorized) for approval and to pay, in the coordination with the PMU, and to pay compensation directly to each affected person after receiving compensation fund;

(iii) coordinating with relevant units for conciliation and resolution of DPs complaints on the compensation policy and rights;

(iv) establishing, if necessary, the commune/ward CRCs and guide them on implementing the activities involved in the RP;

(v) taking into account the needs and aspirations an demand of the particular groups of people (ethnic minorities) and the vulnerable people (children, the elderly, the householders who are “female/single);

(vi) cooperating closely with the independent monitoring agencies and independent land appraiser.

5.3. Project Management Unit (PMU)

51. The Project Management Unit (PMU) will be established by the project owner for their subproject. The Project Management Unit is a permanent agency responsible for the implementation of the resettlement plan of the project. Their responsibilities are:

(i) On behalf of the project owner or the city PC and under the control of the city PC, implement and monitor all resettlement activities within the project,. (If they are not capacity enough, they can contract to perform a number of works for site clearance and resettlement); but under the close supervision of PMU. At the same time, PMU should have a plan to increase their capacity to meet the demand required.

(ii) To prepare plan, coordinate and monitor the RP, in general;

(iii) To update and/or prepare or update RPs in accordance with the Resettlement Policy Framework and submit them to the PPC/city PC and WB for approval before deploying them;

(iv) To guide all RP activities of the city and wards/communes following the policies and guidelines of the Project Resettlement Plans;

(v) To establish forms of procedures/processes regarding the information campaigns and the relevant consultation organizations such as sending monthly letters to the communities on the Project activities. To coordinate with other components and other agencies involved in the RP, implement and monitor the resettlement;

(vi) To check and advise the PPC on the compensation prices of land and other properties, in coordination with other related government departments, agencies of the province, based on the principles of this Resettlement Policy Framework;

(vii) To coordinate, supervise, and monitor the implementation of the RP activities within the Project;

(viii) To advise the city People's Committee, and the Resettlement Council for the establishment of a professional group resettlement planning and implementation including carrying out the inventory, census and economic assessment, elaborating compensation plans, preparing the compensation summaries, and to set up the
compensation and resettlement plans to submit the city Resettlement Council for approval. This professional group is directly under the instruction and monitoring of the PMU and the city CRCs;

(ix) To carry out the preparation and construction of the resettlement sites and establishing procedures for land allocation for relocated households; to manage the resettlement sites to serve the resettlement for households and individuals being relocated within the Project;

(x) To establish a contact link to ensure the suitable technical assistance and logistics for the implementation of compensation and resettlement;

(xi) To set up the database and eligibility criteria for affected persons for every components and subcomponents as well as for the entire project;

(xii) To establish procedures for the internal monitoring of the compliance with the project policies;

(xiii) To establish the procedures for monitoring coordination between contractors and local communities and ensure quick identification and compensation for impacts on public and private properties during the construction;

(xiv) To employ, monitor, and implement the recommendations of the independent monitoring agencies and independent land appraiser(s);

(xv) To set the procedures for quickly implementing necessary measures mechanism for resolving complaints and grievances;

(xvi) To provide project employment related opportunities for affected people;

(xvii) To take over the land acquisition from households and transfer to constructor units;

(xviii) To cooperate closely with the independent monitoring agencies, independent land appraiser(s); and

(xix) To define reporting periodical system on resettlement activities to the WB.

5.4. People’s Committees of Wards/Communes

52. Assign tasks for communal/ward officials to support the RP activities in their wards/communes;

(i) Support other units, organizations including the PMU for the information dissemination and organization of community meetings and counseling affected persons’ comments;

(ii) Support other organizations and units, including the PMU, in the census survey, replacement cost survey, detail measurement and inventory survey, and other resettlement activities;

(iii) Participate in all activities of land acquisition and allocation, resettlement, recovery support, and social development supports;

(iv) Support affected persons in all RP activities and living standard restoration, notifying DPs the compensation schedules and monitoring the compensation and signing on compensation records with DPs;

(v) Ensure the adequate implementation of the complaint redress mechanism to affected persons. To keep records of documents on complaints. Support and advice affected persons to resolve their complaints.
(vi)Certify the origins of land use of the organizations, agencies, units and individuals, households, which are affected by the Project.

5.5. Independent Monitoring Agencies

53. To select and hire agencies/organizations or research institutes in charge of carrying out the monitoring and evaluation of the resettlement plan (1) for three cities or (2) separately for each city’s project. The Project Management Units will sign the joint or separately contracts with one or three selected independent monitoring organizations. Expenditure paid for this service will be taken from the project IDA fund. The Independent Monitoring Agencies will report periodically on the progress and make recommendations regarding proposals to solve the problems detected during their surveillance.

54. Furthermore, an independent consultant organization at the international scale will be retained to take part in an independent review panel8 to advise the PMU certain complex and potential controversy, if needed.

VI. Preparation of Subproject Resettlement Plan

6.1 Preparation of Resettlement Plan

55. The preparation for a subproject needs the communal participation and an analysis of all aspects inclusive a social assessment and evaluation. In a planning phase of the subproject, the following procedures are implemented:

Step 1: Based on the project preliminary design, determine whether the subproject belongs to which of the following types (according to the levels of resettlement impact) as: (i) no resettlement impact, (ii) inconsiderable resettlement impact (when the impact involves less than 200 DPs or DPs are with minor impact due to losing less than 10% of their productive assets or no physical relocation); and (iii) considerable resettlement impact (when the impact involves more than 200 DPs and there are households losing 10% or more of their productive assets or having to be relocated). The item (ii) requires Abbreviated Resettlement Plan and item (iii) require a Full Resettlement Plan.

Step 2: Completion of the detail designs for the subproject based on the consultation of the DPs and professional engineers to minimize resettlement impacts as much as possible. For example, the realignment and adjustment of direction of sewers, drainage canals, urban roads and giving priorities to walk sides, the ROW may reduce the level of resettlement impacts on affected persons.

Step 3: If subprojects fall into cases (ii) and (iii) as mentioned above, social assessment and evaluation surveys will be required. The social assessments including household social census are implemented for households who may be affected. Such a survey contains socio-

8 Footnote 22 in OP 412 policy statement wrote “For projects that are highly risky or contentious, or that involve significant and complex resettlement activities, the borrower should normally engage an advisory panel of independent, internationally recognized resettlement specialists to advise on all aspects of the project relevant to the resettlement activities. The size, role, and frequency of meeting depend on the complexity of the resettlement. If the independent technical advisory panels are established under OP.4.01, Environmental Assessment, the resettlement panel may form part of the environmental panel of experts ”
economic information of DPs, determines affected types, affected levels and property inventory. The census survey (or the DMS) establishes the cut-off date for the eligibility of entitlement. The survey will involves the participation of local concerned authorities of all levels.

In parallel with the family surveys, affected households consultation will continue to determined their specific expectations and demands. This result of consultation should be included in the RPs. Survey on market prices of land, farm produces and assets from every government offices of city, urban districts, and wards/communes as well as in the markets will make foundation for the RP cost estimation.

**Step 4.** Formulation of a RP. The Entitlement Matrix in this framework (Appendix 1) should be used for each subproject. In addition, number of affected persons and assets, total compensation amount for each type of effect should be determined.

**Step 5:** Approval of RP. The Resettlement Plans will be disclosed before being submitted to the World Bank for review and determine whether it conforms to the requirements of OP 4.12. While the RPs are satisfactory to the Bank’s requirements, they must be approved by local authorities before they are re-publicizes widely.

### 6.2. Project Appraisal

56. One of the project assessment criteria is a RP(s) preparation (when necessary) which match the “Involuntary Resettlement” policy of the WB (OP 4.12). This RP must be established and translated into English to submit the WB for approval before the WB conducts a project appraisal. The social assessment and statistic of resettlement impacts on households may discover new affected groups and types of impact which are not mentioned in the Entitlement Matrix of the RP. If these types of impact arise, the responsible agency should update them into the RPF and the RP.

57. The PPC will be responsible for the approval of the subproject RP and other contents relating the resettlement. After the detail technical designs are complete, the number of DPs will be reviewed, as well as compensation unit prices for all types of affect and levels of allowance or support will be updated in accordance with the results of replacement cost survey during the implementation. After the IDA/WB adopts the RP, the provincial PC will approve the RP and take general responsibility for the implementation of the approved RP. The IDA/WB will not approve any loan funds for any construction contracts unless the compensation, resettlement and land acquisition inclusive of the measures to recover people’s living conditions are complete.

### VII. Community Consultation and Information Disclosure

#### 7.1. Objective

58. Disseminating information to people affected by the project and the involved agencies is an important part in the project preparation and implementation. This work includes the consultation with affected persons and ensures their active participation in reducing the potential conflicts and risks of project delay. This allows the project to design a resettlement and rehabilitation program as a general development program, in accordance with the needs and priorities of affected persons and therefore, it maximizes the economic and social
efficiency of investment. The objectives of the information and community consultation program include:

(i) Ensure that local competent authorities as well as representatives of affected persons will be involved in the planning and making decision. The Project Management Units will work closely with the city/provincial People's Committees during the project implementation. The participation of affected persons will be continued by requesting each city to invite representatives of affected persons to play as members of the Council/Committee of Compensation and Resettlement of the city/province and participate in resettlement activities (property evaluation, compensation and resettlement monitoring).

(ii) Share all information about the planned works and activities for the subproject affected persons.

(iii) Collect information on needs and priorities of affected persons as well as their response on the planned policies and activities.

(iv) Ensure that affected persons can be informed fully the decisions which directly affect their income and living standards and they have the opportunity to participate in the activities and make decisions about what directly affect them.

(v) Gain the cooperation and participation of affected persons and communities in the activities, which are necessary for planning and implementing the resettlement.

(vi) Ensure the transparency in all activities related to land acquisition, compensation, resettlement and restoration.

7.2. Consultation during Subproject’s Preparation

59. The subproject preparatory stage, public information and consultation aim to gather information for assessing subproject resettlement impacts and clarify recommendations on possible alternative technical options. This will reduce and/or mitigate potential negative resettlement impacts on local population and to proactively address issues or problems that may emerge during the implementation.

60. The methods of the subproject information disclosure and public consultation may include participatory rapid appraisals and stakeholder’s consultation ones, using techniques of site and household visits, public meetings, group and focus group discussions and the household socio-economic survey.

61. At the early stage of the project preparation, local authorities and leaders of different administrative levels in each of the subproject province were informed about the project proposal, its objectives and proposed activities. They were intensively consulted and actively participated in discussions on their development needs and priorities, about their perception toward project objectives. DPs were consulted on project potential impacts, compensation policy and possible measures to reduce potential negative impacts, and improve benefits for local people.

62. The local authorities are consulted on their agreement and commitments to follow the project resettlement policy described in the RPF, reflecting both the Government and WB resettlement objectives and principles.

63. After the subproject is approved, mass media, including local TV programs and newspapers will introduce the proposed project to the broad public, including its objectives, components and on-going activities.
7.3. Consultation during Subproject’s Implementation

64. Information dissemination and consultation: during the project implementation, the PMU, with the support of the project consultants, will ensure the following tasks:

- Provide information for the CRCs at all levels throughout training workshops. Provide detail information on the project policies and implementation procedures.
- Organize information dissemination and consultation to all affected persons during the project implementation.
- Update the unit prices stipulated by the province based on RCS, and reconfirm the scale of land acquisition and impacts on properties based on the results of detail measurement surveys (DMS) with the consultation of affected persons.
- Then the City CRC will fix the prices, calculate compensation entitlements, and complete property compensation plan for each affected household. The PMU will present information on direct benefits and entitlements of affected persons in the next meetings with households.
- Next, the property compensation plan finalizes affected assets and compensation entitlements of households, which must be signed by affected persons to demonstrate the evaluated results. Any questions of affected persons on the content of the compensation plan must be recorded at this time.
- A letter/questionnaire about resettlement options will be given to all DPs entitled to relocation (a) to inform them about the resettlement options (a clear explanation of the consequences of choosing each option will be given), (b) to request that DPs confirm their choice of resettlement option and their preliminary confirmation of resettlement site location, and (c) to request that DPs indicate services such as education/health/markets that they are currently using and their current distance from such services, for further development of public infrastructure services.
- Consult affected persons about their desire for the rehabilitation plan. This will be applied for severely affected and vulnerable people. The CRCs will notify affected persons the plan and entitlement to receive technical assistance before requesting them to make clear their desire on the recovery support.

65. Community meetings: Before starting the detail design, there will be community meetings held in each affected ward/commune to provide additional information for affected persons and create them opportunity to participate in the open discussions on resettlement policy and procedures. Invitation will be conveyed to all affected persons before the meeting is held in such place. The purpose of this meeting is to clarify the information updated at the meeting time and create opportunities for affected persons to discuss the concerned issues and clarify information. In addition to notification letters addressed to affected persons, other measures of information dissemination to them and the public in general like posters in seeable places in the wards/communes and city where the affected persons are living and information dissemination by means of radio, newspapers, posters in public places. Both men and women of affected households as well as community members who are interested in the Project are encouraged to participate. In the meeting, there will be explanations about the Project, rights and entitlements of households, and the meeting will be an opportunity to raise related questions. Such kind of meeting will be organized periodically throughout the project cycle.

66. Relevant information will be given to the DPs at the meetings (verbally, graphically, and/or on printed information sheets). Extra copies of the printed information sheets will be available at township and district offices throughout the project area. The meetings are proposed to have the following format:
Provide explanations given verbally and in visual formats, including written information and drawings of the proposed design for the different component of the Project.

Adequate opportunities will be provided for DPs to respond their questions and comments. DPs will be encouraged to contribute their ideas for their rehabilitation and relocation options.

The City’s CRC will establish a complete list of all DPs present at the meetings.

The City’s RC will make a complete record of all questions, comments, opinions and decisions that arise during the information/consultation meetings, and present a report of all the meetings to the relevant PMU.

The following information will be given to the DPs:

(i) Project components. This section includes information which people can refer further information of the Project.

(ii) Project Impacts. These are impacts on those who are living and working in the affected area of the Project, including the explanations of why land is acquired for each working item of the project.

(iii) DP’s Interests and Entitlements to Compensation. This section gives the regulations to the DPs (with the cut-off date). It should make clear interests and entitlements to compensation for types of effect to DPs, including entitlement for compensation of those who lost their business, occupation and income; Policies of land-for-land and compensation by cash; Alternatives/plans evolved in individual re-organization and resettlement, terms and conditions and beneficial entitlements of each plan; Entitlement to be supported to recover DPs living and occupation relating to the Project.

(iv) Mechanism and appeal process: DPs will be informed that the project policies and procedures are formulated to recover their living standard same as before the project is implemented. They are also informed that if they have any questions about any relating aspects of the project, they can come to the resettlement Committees of their commune/ward or the city resettlement committee for getting explanations and guidance’s. Should they have any questions about land acquisition, compensation, resettlement, and the process of recover, including level of compensation for their case, they will be satisfied by responsible agencies. DPs will be guided how to access the procedures of complaints.

(v) Entitlement to participating and be consulted: DPs will be informed their entitlement to participate in the planning process and resettlement implementation. DPs will assign their representatives to participate in resettlement committees of their urban district and ward/commune and these representatives will present when these committees organize meetings to ensure their participation in the project.

(vi) Resettlement Activities: All DPs will get full explanations on compensation calculation and payment, monitoring process including interviews of some of them, relocation to an independent resettlement site/self-resettlement, and preliminary information on construction process.

(vii) Organization Responsibility: DPs will be informed organizations and local governments concerned to resettlement and responsibility of each agency and organization, names and functions of government agencies as well as their telephone numbers, addresses and working times (if any).
(viii) **Implementation Schedule:** DPs will be informed the expected schedule for major resettlement activities and that a construction work can be started when resettlement activities finished and DPs moved out of the Project area. It is necessary to emphasize that DPs only move when receiving all compensations for their affected assets. Compensation Committees at all levels will be provided with maps and drawings of implementation schedule.

68. Compensation and restoration: Notification letters will be sent to each affected household, clarifying the time, place and procedures for compensation payment. Severely affected and vulnerable persons will be directly met to affirm their desire on the recovery support.

69. Information Disclosure: In addition to public notification to affected persons and their community, this resettlement policy framework and resettlement plans must be available in the public information centers of provinces, PMUs, the Info Shop in Washington DC and Vietnam Development Information Center (VDIC) in Hanoi.

7.4. **Grievance Redress Procedure**

70. DPs are entitled to the complaints relating to their interests and responsibilities in the project implementation: Entitlement to compensation, compensation policy and unit price, land acquisition, resettlement and other interests relating to the support program of rebuilding. The DP’s complaints should be presented in written documents. DPs can report their complaints in the PMU and PCs of commune/ward, urban district free of charges.

71. The project will also establish a grievance panel that independent from the City compensation board, consist of the city leader (s), the social safeguards of PMU (1-2 persons), mass organization/civil society/CBOs/NGOs (1-2 persons), Lawyer Union/associations … and DP representatives in order to ensure the equity for DPs in grievances Redress Procedure. The Grievance Panel’s function cost will be covered from project compensation’s administration cost. The PMU’s monthly monitoring report of compensation and clearance tasks and/or written complaint(s) (if any) will be provided to the panel timely for mediation and resolving timely as well as to allow the panel to monitor all complaints their resolving process.

72. Following the aforementioned arrangement, the grievance procedure will be:

**Stage 1.** Any persons who are unsatisfied with any aspect of land acquisition, compensation and resettlement, can report verbally⁹ or in written papers to Grievance Panel. The panel will be responsible for resolving the issue.

The independent grievance panel will, at step 1 conduct community consultation meeting and/or face to face discussion, for mediation. If it is impossible to solve these complaints at the aforementioned step 1, the Grievance Panel will, at step 2, propose the solutions to the complaints/grievances to the City authorities to issue complaint resolutions to the DPs within 15 days from the day it is lodged;

**Stage 2.** If the DPs do not satisfy with the decisions of the city level, they can appeal to the Provincial People’s Committee within 15 days since they received decision from the city level. The PPC will provide a decision on the appeal within 15 days from the day it is lodged with the PPC.

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⁹ The verbally complain might be acceptable at the communal level, but complaint in written paper is obligatory at higher level.
Stage 3. If the DPs still do not satisfy with the decisions of the PPC on their appeals they can submit their cases to the district courts for review within 15 days since they received decisions from the province.

73. Complainants will be free from administration charges and complaint charges.

74. Besides that, an escrow accounts for resettlement payments should be used when grievance is resolving to avoid excessive delay of the project while ensuring compensation payment after the grievance has been resolved.

75. All GRC should maintain a system to register queries, suggestions and grievances of the DPs. All queries, suggestions and grievances and their resolution should be recorded and forwarded to the PMU and its functioning monitored monthly. All the cost of GRM establishing and functioning should be included in the project cost.

VIII. Implementation Schedule

76. The implementation schedule is as follows:

(1) **Information dissemination before the FS report and detail design:** Before the detail design, the PMU and local authorities will disseminate information throughout the project area. Information meetings will be held in all potentially affected communes to inform the communities about (i) the project scope; (ii) impacts; (iii) entitlements for all categories of loss; (iv) schedule of activities beginning with the detailed design survey; (v) institutional responsibilities; and (vi) the grievance mechanism. Dissemination documents (pictures, photographs or brochures) about project implementation will be prepared and delivered to all affected wards/communes in the meetings.

(2) **Setting up compensation and resettlement councils/committees:** The PPC will establish councils/committees of compensation and resettlement of the city soon after the Project is approved.

(3) **Training for resettlement officials:** Once the Compensation and Resettlement Committees/Councils (CRCs) are established, all officials in charge of resettlement from the PMU, CRCs at city/province levels and ward/commune officials will be trained by resettlement specialists. Main topics of the resettlement training are:

(i) Objectives of the RP;
(ii) Main principles, policies and compensation entitlements which are stipulated in the RP;
(iii) Methods of consultation and information dissemination;
(iv) Steps of implementation, procedures and schedule;
(v) Grievance redress mechanism; and
(vi) Liabilities and authorities of individuals/organizations involved in the RP implementation.

(4) **Updating Compensation prices:** During the detail design, the PPCs will update the compensation prices based on replacement prices for all types of damage and adjust allowances upon the inflation. This work will be conducted based on independent appraisal results and in the consultation with affected persons and the local governments.
(5) **Detail Measurement Survey:** Before each new stage of the project, DMSs will be updated or conducted in each subproject area after completion of the detailed design. This survey will make foundation for compensation and RP update. This database will be input and managed by the PMU on computers.

(6) **Fixing prices and compensation for DPs:** The city CRC takes responsibility to fix the prices and prepares compensation charts and tables for each city which is affected. The PMU and CRC will check these tables of prices regarding unit prices, the number of affected properties, the entitlements that affected persons are benefited etc. prior to the notification to each commune for people to review and comment. All statements of fixing compensation prices must be checked and signed by DPs to demonstrate their consensus.

(7) **Compensation and Assistance:** Compensation and allowance will be paid under the supervision of representatives from the CRC, ward/commune authorities and DPs’ representatives.

**IX. Budget**

77. In order to prepare the budget for the project costs, it is necessary to make preliminary cost estimation. Cost for RP will be made based on updated compensation unit prices of each province. These unit prices must reflect replacement prices of all affected assets at the period of RP implementation.

78. Budget for compensation, resettlement and assistances for the subprojects will be taken from the project counterpart fund. Training cost for RP implementation, cost for development of resettlement sites and independent monitoring, independent land appraiser will be taken from IDA fund of the project.

79. Budget for the compensation, site clearance and management is taken from less than 2% of the total cost for compensation and assistance of the subproject. If it is very difficult for the site clearance of the respective infrastructure building projects, the Committees of compensation, assistance and resettlement will estimate the costs according to the actual workload, which are not limited in 2% of the total cost for compensation and assistance.

**X. Monitoring and Evaluation**

10.1. **Monitoring**

80. Monitoring is a continuous evaluation process of the project implementation which is related to the unified implementation schedule on the use of the project inputs, infrastructures and services. Monitoring provides concerned agencies with continuous reflections on the implementation status. Monitoring determines the reality, successful possibility and arising difficulties as soon as possible to facilitate the due adjustment in the project implementation.

81. Monitoring includes 2 following purposes:

(i) Verify whether the project activities complete efficiently or not, including quantity, quality and time.

(ii) Assess whether these activities reach their objectives and purposes of the Project or not, and how much do they reach?
The executing agencies (the PMU) as well as the independent monitoring agencies (which contract with the PMU) shall monitor and supervise the RP implementation regularly.

10.2. Internal monitoring

82. Internal monitoring of the RP implementation of the Subprojects is the main responsibility of the executing agencies with the support of the project consultants. The executing agencies will monitor the progress of RP preparation and implementation throughout the regular progress reports.

83. The criteria of internal monitoring include:

(i) Compensation payment for affected households for the different types of damage pursuant to the compensation policies described in the resettlement plans;
(ii) Implementation of technical assistance, relocation, allowance payment and relocation support;
(iii) Implementation of income recovery and entitlement to recovery support;
(iv) Dissemination of information and consultation procedures;
(v) Monitoring of complaint procedures, existing problems that require the manageable attention;
(vi) Prioritizing affected persons on the proposed selections;
(vii) Coordinating to complete the RP activities and award construction contracts.

84. The executing agencies will collect information every month from the different CRCs. A database tracking the resettlement implementation of the Project will be maintained and updated monthly.

85. The PMU will submit an internal monitoring report on the RP implementation as a part of the quarterly report they are supposed to submit to the WB. The internal monitoring reports must contain the following information:

(i) Number of affected persons by types of effect and project components and the status of compensation, relocation and income recovery for each item;
(ii) The costs distributed for the activities or for the compensation payment and for each activity;
(iii) Final results on solving complaints and any outstanding issues that demand management agencies at all levels to solve;
(iv) Arisen issues in the implementation process;
(v) The RP Schedule, which is actually updated.

10.3. Independent Monitoring

86. Objective. The general objectives of independent monitoring are to periodically supply the independent monitoring and assessing results on the implementation of the resettlement objectives, on the changes of living standard and jobs, DPs income and social foundation restoration, effectiveness, impacts and sustainability of DPs’ rights to be benefited, and on the necessity of mitigation measures (if any) to ensure the policy objectives are met as well as to bring/draw strategic lessons for making policy and planning in the future.

87. Responsible Agencies. In accordance with the World Bank requirements, the PMU will hire an independent monitoring and evaluation of RPs implementation. This organization
is called the Independent Monitoring Agency (IMA), which specializes in the social science and experiences in independent monitoring of RP. The IMA should start their work as soon as the RPs implementation is started.

88. Monitoring and Evaluation: The following indicators will be monitored and evaluated by the IMA:

(i) Payment of compensation will be as follows: a) full payment to be made to all affected persons sufficiently before land acquisition; (b) adequacy of payment to replace affected assets.

(ii) Provision of assistance for house construction to DPs who are rebuilding their structures on their remaining land, or building their own structures in new places as arranged by the project, or on newly assigned plots.

(iii) Support for recovering income sources.

(iv) Public consultation and awareness of compensation policy: (a) DPs should be fully informed and consulted about land acquisition, leasing and relocation activities; (b) the monitoring team should attend at least one public consultation meeting to monitor public consultation procedures, problems and issues that arise during the meetings, and solutions that are proposed; (c) public awareness of the compensation policy and entitlements will be assessed among the DPs; and (d) assessment of awareness of various options available to DPs as provided for in the RPs.

(v) Affected persons should be monitored regarding restoration of productive activities.

(vi) DPs’ satisfaction on various aspects of the RP will be monitored and recorded. Operation of the complaint mechanism and speed of complaint settlement will be monitored.

(vii) Through the implementation, trends on living standard will be observed and surveyed. Any potential issues in the recovering living standard are reported and appropriate measures are proposed to ensure to policy objectives are made.

10.4. Methodology for Independent Monitoring

A. Sample Survey

89. A socio-economic survey will be required before, during and after the resettlement implementation to provide a clear comparison of success/failure of the resettlement plan implementation. Monitoring will be on a sample basis. Scale of the survey sample may cover 50% relocated households and the households with income source affected, and at least 10% of the remaining households. The sample survey should be conducted twice a year.

90. The surveys should include women, elderly persons, and other vulnerable groups. It should have equal representation of male and female respondents.

B. Database Storage

91. The IMA will maintain a database of resettlement monitoring information. It will contain files on results of independent monitoring, DPs surveyed and will be updated based on information collected in successive rounds of data collection. All databases compiled will be fully accessible by the PMUs and the World Bank.

C. Reports
92. The independent monitoring agency must report once every 6 months, which mention the findings in the monitoring process. This monitoring report will be submitted to the PMU, and then the PMU will submit the WB in the form of appendixes of the progress reports.

93. The report should contain (i) a report on the progress of RP implementation; (ii) deviations, if any, from the provisions and principles of the RP; (ii) identification of problem issues and recommended solutions, so that implementing agencies are informed about the ongoing situations and can resolve problems in a timely manner; and (iv) a report on progress of the follow-up of problems and issues identified in the previous report.

D. Follow-Up Monitoring Reports

94. The monitoring reports will be discussed in a meeting between the IMA and PMU. PMUs held meetings immediately after receiving the report. Necessary follow-up action will be taken based on the problems and issues identified in the reports and follow-up discussions.
E. **Ex-post Evaluation**

95. Ex-post Evaluation is an assessment for the whole RP implementation to assess whether the stated objectives have been achieved. The external monitor will conduct an ex-post evaluation of the resettlement process and impacts 6 to 12 months after the completion of all resettlement activities. The evaluation will use the same survey questionnaire and sample that was used during the monitoring activities.

96. A Resettlement Plan cannot be considered complete until the ex-post evaluation or a completion audit or survey confirms that all entitlements have been received by beneficiaries and livelihood restoration is progressing on schedule\(^\text{10}\).

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\(^{10}\) In case, the survey or evaluation indicates that DPs have not recovered their lives according to the Project objectives, an additional fund should be established to continue assistance for them. The independent monitoring report, in addition to be submitted to the PMU, will be submitted to the World Bank for monitoring and evaluation and effectiveness of the compensation. Or in another hand, while a project is not considered completed, the Bank supervision continues until the resettlement measures set out in the relevant resettlement instrument have been implemented. Upon completion of the project, the Implementation Completion Report (ICR) valuates the achievement of the objectives of the resettlement instrument and lessons for future operations and summarizes the findings of the PMU’s assessment referred to in OP 4.12, para. 24.12 If the evaluation suggests that the objectives of the resettlement instrument may not be realized, the ICR assesses the appropriateness of the resettlement measures and may propose a future course of action, including continued supervision by the Bank. The ICR’s assessment of the extent to which resettlement objectives were realized is normally based on a socioeconomic survey of affected people conducted at the time of project completion (or subproject completion) as ex-post evaluation, and takes into account the extent of displacement, and the impact of the project on the livelihoods of displaced persons.
### Appendix 1: Entitlement Matrix

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<tr>
<th>No</th>
<th>TYPE OF LOSS</th>
<th>APPLICATION</th>
<th>DEFINITION OF ENTITLED PERSON</th>
<th>COMPENSATION POLICY</th>
<th>IMPLEMENTATION ISSUES</th>
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</table>
| 1  | Permanent loss of agricultural land | Less than 20% of HH’s total land holding, OR 10% for poor & vulnerable households. | Users with legal or legalizable rights to use the affected land. | DPs will be entitled to:  
  (i) Land for land compensation is prioritized and  
  (ii) If land is not available or per DP’s request, cash compensation for crops and trees at market replacement prices. | If the viability of the remaining land is less than the minimum viable economic unit, then the entire piece of land would be acquired and the DPs would fall under the next category. |
|    | Land Users with Temporary or Leased Rights to Use Land that cannot be legalized as long term land users |                      | (i) Cash compensation for acquired land equivalent to remained investment on the land; equivalent to 30% of replacement cost, and  
(ii) Cash compensation for loss of crops and trees at the market replacement prices; | | |
|    | User without legal rights to use land |                      | (i) In lieu of compensation for land, a cash equivalent to 60% of land replacement cost;  
(ii) Cash compensation for crops and trees at market price | | In case the DPs casually utilize the public land for growing crops/trees, which is subjecting acquisition by the project, then she/he will not be compensated for land, but will be compensated for crops and trees at market prices/replacement cost. |
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<tr>
<td></td>
<td></td>
<td>More than or equal to 20% of HH's total land holding. OR 10% for poor &amp; vulnerable households</td>
<td>Users with legal or legalizable rights to use the affected land.</td>
<td>As priority, compensation &quot;land for land&quot; equivalent productive capacity at a location suitable to the DPs, or, If requested, or &quot;land for land&quot; is not available, cash compensation for the lost land at 100% of replacement cost</td>
<td>The forms of assistance should be consulted closely with the entitled DPs to ensure appropriate and effective measures assisting the DPs to restore their income generating capacity and income levels</td>
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<tr>
<td></td>
<td></td>
<td>Land Users with Temporary or Leased Rights to Use Land that cannot be legalized as long term land user</td>
<td></td>
<td>(i) As priority, compensation &quot;leased land for leased land&quot; at location suitable to DPs, or, if requested or there no reserved land to compensate &quot;land for land&quot;. Cash compensation equal to remained investment put on the land equivalent to 30% of replacement cost; and, (ii) Cash compensation for loss of crops and trees at full market prices;</td>
<td>If the value of remained investment put by DPs on the affected land is undoubtedly higher than 30% of the land replacement cost, the PMU and resettlement sites will revise and adjust adequately by case.</td>
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<td>Illegal land users</td>
<td>(i) In lieu of compensation for land, the DPs will receive assistance corresponding 60% of land replacement cost. (ii) For poor and vulnerable, including landless, as priority, allocation of agricultural land equal per capita agricultural land in commune as regulated by Decree 64/1993/CP, or, if there no land available for allocation or, on the DPs’ request as informed choice, in addition to above, a package of vocational training and job changing will be two times in minimum of agricultural land price for the whole acquired area (the land for annual crop only); and in case, households need a vocational training, they will be admitted to a vocational center in the province and are exempted from tuition fees for such training course (including level of rehabilitation assistance will be provided to poor and</td>
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Vietnam: Medium Cities Development Project – Vinh City Subproject
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<td>disadvantaged DPs if the cash compensation option will be applied.</td>
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<td>2</td>
<td>Loss of residential land</td>
<td>Land acquired without structures built therein. User of the affected land. Marginal impact</td>
<td>Cash compensation for land at (i) 100% of replacement cost of the land acquired to the legal/legalizable users; (ii) In case the acquired land is over 80m² and the households have many generations living together (many couples) or have been inherited, given, offered, transferred with land, entitled to separate into different households, sharing right of using the acquired land plot, it shall be considered to allocate one more plot of residential land with land using fee. However, the allocated land shall not exceed the acquired land area; (iii) in case the whole land plot is acquired, land user shall be compensated with 100% replacement price and allocated with a plot of residential land in resettlement site with land using fee; For the acquired land plot of over 80m² and the households have many generations living together (many couples) or many members or have been inherited, given, offered, transferred with land (without being legalized yet), sharing right of using acquired land plot, it shall be considered to allocate one more plot of residential land with land using fee. However, the total allocated land shall not exceed the acquired land area; (iv) support by cash equivalent to the remaining values invested in such lands, or equivalent to 30% of replacement prices of land to the users having no legal land use rights.</td>
<td>At the time of compensation, allowances will be adjusted to account for inflation.</td>
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<td>Land acquired with structures built therein and the remaining land is sufficient to rebuild Reorganizing DPs.</td>
<td>(i) Cash compensation for land at (i) 100% of replacement cost of the land acquired to the legal/legalizable users; (ii) support by cash equivalent to the remaining values invested in such lands, or equivalent to 30% of replacement cost to the users having no legal land use rights.</td>
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<td>1</td>
<td>on</td>
<td>Marginal or severe impacts</td>
<td>legal land use rights. (ii) Compensation for affected structures at replacement cost; and, (iii) If house/structure is partially affected, the remaining structure can be used, house users will be compensated the affected structure at 100% replacement cost and additional cost for repairing and restoring their structures as before or even better.</td>
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<tr>
<td>2</td>
<td>Land acquired with structures built therein and the remaining land is not sufficient to rebuild on.</td>
<td>Relocating DPs.</td>
<td>(1) Compensation policy for land: (i) The DPs, who have legal or legalizable rights to the affected land, can opt to one of the followings: -The provision of replacement residential land, at a location suitable to the DPs with full land title without any cost (implemented for DPs who have land acquired area less than or equal to 150 m²) - in case the whole acquired land is more than 150 m², compensate for the land user with 100% replacement price and allocate a plot of land in resettlement site with land using fee; in case that the households have many generations (many couples) or many members or have been inherited, given, offered, transferred with land (without being legalized yet), sharing right of using acquired land plot, it shall be considered to allocate one more plot of residential land with land using fee. However, the total allocated land shall not exceed the acquired land area. Or, on request as the DP's fully informed choice,</td>
<td>At the time of compensation, allowances will be adjusted to account for inflation.</td>
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<td>3</td>
<td>House/structures and graves</td>
<td>Houses/structures located in the project recovered area.</td>
<td>Owners of Project affected structures.</td>
<td>(i) compensation at 100% of replacement cost of the affected houses/structures. No deduction will be made for depreciation or salvageable materials.</td>
<td>The calculation of rates will be based on the actual affected area and not the useable area.</td>
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<td>(ii) in addition, a repairing cost, if house/structure is partially affected, to restore it to former or better conditions.</td>
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- Cash compensation for entire residential land at full replacement cost, plus additional cost for basic infrastructure development.

(ii) The DPs, who do not have legal or legalizable rights to the affected land, are entitled to the followings:

- Regarding the DPs who already have residence somewhere else in the same ward/commune as where they are affected, the project will provide an assistance amount corresponding the remained investment on the land, equivalent to 30% of replacement cost.

- Regarding the poor and/or vulnerable DPs (identified by MOLISA/local authorities and socio-economic survey) who have no other residential land in the same as their affected ward/commune, the project will provide (i) a residential plot of minimal size at a common RSs or an individual resettlement site, with full titled to the land; or, (ii) on request of the DPs, as their informed choice, an assistance amount corresponding 60% of the land replacement cost for them to rearrange relocation by themselves.

(2) Compensation for affected structures at replacement cost;
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<td>Tenants</td>
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<td>The tenants of State or organization’s house will be provided an assistance equal 60% of replacement cost of the affected assets. The area owned and created by the DP themselves will be compensated at their full replacement costs</td>
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<td>Owners of graves.</td>
<td>DPs are entitled to cash compensation for all costs of excavation, movement, and reburial. If there is no land for resettlement, support in cash of 2,000,000 VND/ grave;</td>
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<td>Owners of affected crops</td>
<td>DPs are entitled to compensation for affected crops in cash at replacement value.</td>
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<td>4</td>
<td>Loss of standing crops and trees</td>
<td>Crops affected.</td>
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<td>DPs are entitled to compensation in cash at market value on the basis of type, age, and productive value.</td>
<td>DPs will be given notice several months in advance regarding evacuation. Crops grown after issuance of the deadline will not be compensated.</td>
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<td>Owners of affected trees.</td>
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|    |              |             | Owner of the affected business/other productive assets. | (i) Licensed business and production households whose income is affected will be compensated or supported for losses in business equivalent to 50% of their actual annual income. The amount of compensation will be based on their average yearly income declared with taxation agency over the previous three years (equivalent to 100% of the average income of 6 months)  
(ii) Compensation for structure at full replacement cost. No deduction shall be made for depreciation or salvageable materials.  
(iii) if DPs have to remove to new site, provision of alternative | DPs will be given priority for business relocation along highway, communal roads and along canals near the bridges or footbridges in order to maximize their benefit from business opportunities. 
At the time of compensation, allowances will be adjusted to account |
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</table>
| 6  | Temporary impact during construction | Temporary loss of agricultural land  | Users of affected land                   | (i) Compensation for one harvest of crops/trees at full market prices  
(ii) Compensation for loss of net income from subsequent crops that cannot be planted for the duration of project temporary use, and  
(iii) Restoration of land to its previous or better quality by providing measures to improve land quality in cases of land being adversely affected or acidified, and  
(iv) If the duration of project's use the land exceed more than two years, then the DPs have option to: 1) Continue to use land, or, 2) Give it to the Project and be compensated as permanent loss  
If the quality of land will be radically changed when return to DPs, requiring DPs to change in the types of land use, then DPs should be compensated for all envisaged cost of losses |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | Temporary loss of residential land | Users of affected land                | (i) Compensation for affected assets at replacement cost  
(ii) restoration of land to former conditions                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | Temporary impact on business      | Owner of business                     | (i) Compensation for loss of income during transition period, equivalent average monthly net income at least for three months.  
(ii) Compensation for affected assets at replacement cost  
(iii) restoration of land to former conditions                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|    | Damages by contractors to private or public structures or land | Owner or person with use rights       | (i)The contractor will be required to pay compensation immediately to affected families, groups, communities or government agencies.  
(ii) Damaged property will be restored immediately to its former state                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
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<tr>
<td>7</td>
<td>Secondary impacts</td>
<td>Loss of land and properties for development of RS</td>
<td>Land users</td>
<td>Because secondary DPs are affected in similar ways, the same respective provisions will apply to secondary DPs.</td>
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<tr>
<td>8</td>
<td>Loss of community assets</td>
<td>Community buildings, structures, community forest/grazing/or other land/irrigation systems affected by temporary or permanent land acquisition or spoil disposal.</td>
<td>Village, Ward, Government Unit.</td>
<td>(i) Restoration of affected community buildings and structures to at least previous condition, or (ii) Replacement in areas identified in consultation with affected communities and relevant authorities, or (iii) Compensation at replacement cost for affected community land and assets.</td>
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<td>9</td>
<td>Allowances</td>
<td>Materials transport allowance.</td>
<td>Relocating DPs and the DPs who have to rebuild main house on their remaining land</td>
<td>For households who (i) move within the ward/commune will be received of 2,000,000VND/household; (ii) move to other ward/commune in Vinh city: 3,000,000VND/household; (iii) move to other district in Nghe An province is 4,000,000 VND/household, and (iv) move to other provinces, maximum support is: 6,000,000VND/household.</td>
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<td>Relocating DPs and DPs who have to rebuild main house on their remaining land</td>
<td>Those who have houses on recovered land are eligible for resettlement allocation will be supported for house rent of 2,000,000 VND/household/month during 06 months. If after 06 months, the authorized agency has not arranged new locations of resettlement for them, the City People's Committee will decide to support more house renting cost for DPs till they receive locations of resettlement and support more 06 months for house</td>
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If income loss is expected (e.g. irrigation, community forest, community grazing land), the village is entitled to compensation for the total production loss this compensation should be used collectively for income restoration measures and/or new infrastructure.

At the time of compensation, allowances will be adjusted to account for inflation.
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<td>renting during their building new houses</td>
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<td>Vulnerable Groups</td>
<td>Relocating DPs and DPs who have to rebuild main house on their remaining land</td>
<td>Support for the poor, war martyrs/heroes (policy families): (i) support VND 3,600,000 VND/person to urban poor families; (ii) support VND 5,766,000 VND/person to rural poor families and (iii) further support VND 2,000,000 per household who have permanent registration in families (which are certified by the district departments of labor, war invalids and social welfare</td>
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<td>Relocation Issues</td>
<td>Relocating DPs</td>
<td>The relocated household who is entitled to resettle in resettlement site but relocate themselves (with written official commitment) is supported by cash equivalent to an infrastructure investment for a land plot in resettlement site (Unit price of the investment ratio in resettlement site will be specified by PPC). All displaced households who own legal houses and lands are entitled to buy a new land plot in the resettlement site. If relocated DPs cannot afford, they will be supported the differences. In case, the relocated DPs do not anticipate land plot, they will receive the difference by cash. Households, who are not entitled to compensation for residential land but have no other land/house will be provided with land plot in resettlement sites, if they get certification of their homelessness from local authorities, and they have to pay fee for land use.</td>
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<td></td>
<td>Rehabilitation assistance</td>
<td>All farmers losing agricultural land and receiving compensation in cash</td>
<td>- The minimum support will be 5 (five) times of agricultural land price for the whole acquired area (the land for annual crop only). In case, households need a vocational training, they will be admitted to a vocational centre in the province and are exempted from tuition fees for such training course (including level of primary, secondary training and vocational college) for those in</td>
<td>Concrete form of assistance will be intensively consulted with the farmers to meet their actual needs, assisting them able to restore or</td>
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<td>the working age (not applicable for those who enrol for a vocational training outside the province.</td>
<td>- Production and Living Rehabilitation: the land users will be entitled to support by cash equivalent to 30 kg rice per month per person for duration of 6 months if not to be relocated and for duration of 12 months if relocated. In case more than 70% agricultural land acquired, the users will be supported for duration of 12 months if not to be relocated and for duration of 24 months if relocated; and Support for the Poors: (i) VND 3,600,000 per person for urban poor family; (ii) VND 5,766,000 per person for rural poor family and (iii) VND 2,000,000 per household for martyr/hero households.</td>
<td>improve their earning capacity and income</td>
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