VIET NAM: MEDIUM CITIES DEVELOPMENT PROJECT (MCDP)  
LAO CAI CITY SUBPROJECT – LAO CAI PROVINCE  
COMPENSATION, ASSISTANCE AND RESETTLEMENT POLICY FRAMEWORK  
(Final Draft)

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**ABBREVIATIONS**

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<th>Abbreviation</th>
<th>Full Form</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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<tr>
<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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<tr>
<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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<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>PMU</td>
<td>Project Management Unit</td>
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<tr>
<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.

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).
**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 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

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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.
The Government’s Statement

To adequately address 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 (so called 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.

1. Introduction

1.1 Overview

1. Background. The urbanization in Vietnam has been rapidly expanded in recent years. However, the infrastructure development, i.e. drainage, wastewater collection, has not yet responded to the needs of urban growth. This creates environmental and health hazards for residents and hampers economic development of urban inhabitants. In addition, people are facing with economical difficulties in improve their income opportunity due to undeveloped roads and connections.

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

3. Project objectives: Overall objective of the project is to develop an improved infrastructure framework in three cities, including urban infrastructure for residential areas, water supply and environmental improvements, road upgrading and capacity building on urban management. This 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 also contribute to poverty reduction and sustainable development of three provinces.

4. Preliminary Description of the Project: The project will be located in three medium cities in Viet Nam of Vinh, Phu Ly and Lao Cai, which consists of 04 components: (i) Component 1: 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 2: Water Supply and Environmental Sanitation Improvements: Development of water supply systems, flood investment mitigation, drainage infrastructure, and improvement of wastewater collection and treatment capacity; (iii) Component 3: Urban Roads and Bridges: Upgrading existing roads and construction of new roads and bridges in the city, and (iv) Component 4: Technical Assistance and Capacity Building

5. The project is planned to implement in 5 years, starting from 2011 to 2017.
1.2 Lao Cai City Subproject:

6. Overview: Lao Cai is a northern mountainous, bordering province with diversified ethnic minority population, which its Lao Cai city was established in 2004, 350km far away from Ha Noi capital. It is 229.67 km² in square, about 3.6% of the whole province area. Its population is 95,956 people in 2008, about 16.7% of the whole province; in which 74,500 people in urban area and 21,456 people in rural area. The population density is about 418 people per km² that is about 4.5 times in comparison with those of Lao Cai province and 1.6 times with those of the whole country. Approximately there are 12% poor household and low income areas in the city.

7. Recently, Lao Cai province’s capital sources have focused on infrastructure development, but its achievements are not systematic and adequate due to a huge quantity of expected works. Hence, Lao Cai’ PC has anticipated in World Bank funded Project namely Viet Nam Medium Cities Development Project – Lao Cai City Subproject. Total subproject budget are about USD 75.8 million, in which USD 57.5 million from WB fund and other USD 18.3 million from counterpart fund.

8. There are four components in the Lao Cai City Subproject, including:

Component 1: Tertiary Infrastructure Upgrading and Service Improvements, including: (i) Technical Infrastructure (tertiary infrastructure) for two resettlement sites will be built to meet demand of the subproject’s relocated households. It includes: Dong Ha resettlement site in Nam Cuong ward, Lao Cai city which covers about 50 ha, for 500 land plots for relocated DPs; Soi Lan resettlement site in Binh Minh ward, Lao Cai city covers about 23.5 ha for 450 land plots approximately and (ii) school environment sanitation and public sanitation program consists of roughly 18 schools and 04 public facilities.

Component 2: Water Supply and Environmental Sanitation Improvements aims at upgrading and improving water supply system of the city which has capacity of 28,000m³ per day, decreasing flooding in the North area of Lao Cai city and its environment, in which: (i) Water supply: install crude water-pipe routes and distributing ones and build one more water treatment plant; (ii) Environmental sanitation improvement consists of upgrading drainage system in the North area of Lao Cai city (5 wards), wastewater collecting and treatment system in the South area of Lao Cai city; wastewater treatment plant.

Component 3: Urban Roads and Bridges with upgrading one main road alignments; and builds 1 new bridges of Lang Chieng.

Component 4: Technical Assistance and Capacity Building, including: (i) support for implementing the project, (ii) capacity building for Project Management Unit, (iii) capacity building and technical support for related organizations.

1.3 The Resettlement Policy Framework (RPF)

9. The preparation of this RPF is based on Involuntary Resettlement policy, OP/BP 4.12 of the WB. The basic objectives 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 standard to pre-project level³.

³ During the Resettlement Plan preparation, survey (s) is conducted to set up databases that is (i) basis for compensation and other rehabilitation assistances and (ii) to provide socioeconomic indicators that work out
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, peoples 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 components involving resettlement impacts.

11. The Resettlement Policy Framework provides: (i) Policy and Legal Framework of Vietnam Gov and WB; (ii) Compensation policy is applied for all affected areas; (iii) Procedures are applied when preparing, implementing and assessment. The RPs for each component will be prepared after respective the subproject detailed design has been finished to allow conducting Detail Measurement Survey and identification of displaced persons. This RPF will be translated into Vietnamese and distributed to the provincial, city and ward/communal agencies and/or publicly to any private agencies or individuals contracted to carry out subproject preparation, implementation and monitoring. The RPF should be read in conjunction with the World Bank OP 4.12 and Vietnamese laws and regulations related to resettlement policy. Each respective RP for the Lao Cai subproject will be done based on the RPF.

12. The Resettlement Policy Framework is prepared based on the results of (1) discussion between the social safeguard consultant and PMU to develop subproject’s draft RPF in early January 2010, (2) site survey in all areas that may cause land acquisition impacts and resettlement; (3) consultations of stakeholders including (i) at provincial and city level, a consultation meeting was held on January 27th 2010 with participation from provincial leader, DPI, DONRE, DOF, DOC and representatives of Lao Cai city’ PC and (ii) at wards/communal level, many consultations with communities and local population have been carried out since middle of January 2010. In the project implementation stage, data will be updated fully and suitably to serve the implementation of the resettlement plans, meeting the RPF’s requirements.

2. Scope of Potential Resettlement Impact

13. The subproject’s three first components will involve in land acquisition and resettlement impacts due to demand for upgrading tertiary infrastructure, develop certain resettlement sites, improving drainage, sewerage system, wastewater treatment plant and some urban roads. In the PDO preparation 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 plans and locations of the works. The actions are to avoid, minimize or limit the scale of land acquisition at the smallest and the level of resettlement impact is the lowest. The consultants have used various measures to avoid land acquisition, if possible, such as plans to use roadsides, roadway, traffic safety corridors. Where land acquisition is required, the technical consultants prioritized to choose public land, unused land or land with low value. In case of necessity, some technical solutions were proposed to reduce project impacts on local population’s land and property.

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.
14. So far, exact location and size of drainage, sewers and urban roads as well as other physical works like public toilets, wastewater pumping stations still have not been identified. Thus it could not exactly estimate the scope of land acquisition as well as accurate number of households affected by the subprojects. Based on information available, it is estimated that in total the three first components in the Lao Cai subprojects would permanent acquire about 75 ha, of which 56.7 ha agricultural land (including forest land, rice land, annual crops, fruits trees or aquaculture land), the remaining is public land such as transportation, stream, leased land and household’s residential land. According to the estimation, there are about 546 households with about 2,450 people affected by the three components, of which there about 324 households to be severely impacted and with 624 households to be relocated to resettlement sites due to sub-household separation, about 222 household to be partially agriculture land impacted. They are:

Component 1: Tertiary Infrastructure Upgrading and Service Improvements; about 27.6 ha land acquisition in the component is necessary to newly constructed two resettlement sites, which about 160 households to be affected; of which 55 households will be partly affected and other 105 households will be severely impacted, but 206 households (including sub-households) to be relocated accordingly. Besides, all toilets to be built in the school/public sanitation program will be located in the public (or school) area, that there is no need for land acquisition and/or compensation/assistance for these toilets.

Component 2: Water Supply and Environmental Sanitation Improvements; it is noted that newly constructed water treatment plant and all water supply/waste water pipes is to be located in the existing or public area, so basically land acquisition is quite marginal, about 17.2 ha with about 17 DPs with agriculture land.

Component 3: Urban Roads and Bridges; most of the proposed works are involved in land acquisition with 48.2ha of land from 369 households, in which 219 household are to be relocated. The provision of household impact is described/ summarized in the table bellowed.

15. Full-scale of land acquisition, resettlement impacts as well as final data on acquired land area, houses, structures, crops, trees and other lost properties, exact number of affected and relocated households of each component will be identified in the resettlement plans for each component.

<table>
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<tr>
<th>Components</th>
<th>Permanent Land Acquisition</th>
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<th>Temporary Land Acquisition</th>
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<tbody>
<tr>
<td></td>
<td>Amount of land</td>
<td>Partially DPs</td>
<td>Relocated DPs</td>
<td># of business loss</td>
<td>Amount of land</td>
<td>Partially DPs</td>
<td>Relocated DPs</td>
<td># of business loss</td>
</tr>
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<td>Component 1</td>
<td>27.6</td>
<td>55</td>
<td>105</td>
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<td></td>
<td>75.1</td>
<td>222</td>
<td>324</td>
<td>17.9</td>
<td>45</td>
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3. 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 Lao Cai Project Management Unit of Sustainable Development Infrastructure Investment, Lao Cai province (hereinafter referred to as the Project Management Unit (PMU)). The PMU shall 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 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 boards 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), costs for independent monitoring, independent land 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 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;
• Circular No.70/2006/TT-BTC on 02/8/2006 by the Ministry of Finance guiding on
amendments and supplements of Circular No.117/2004/TT-BTC on July 12, 2004 by
the Ministry of Finance, guiding the implementation of Decree 198/2004/ND-CP on
December 3, 2004 by the Government on collection of land use fees.
• 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.123/2007/ND-CP 27/7/2007, adding and amending some articles of
Decree No. 188/2004/ND-CP on 16/11/2004 on methods of determining land prices
and land price frame;
• Decree No.69/2009/ND-CP dated 13/08/2009, regulating additional planning of land
use, land prices, land acquisition, compensation and resettlement assistance;
• Circular No.14/2009/TT-BTNTMT on January 10, 2009 of the Ministry of Natural
Resource and Environment, regulating detailed regulations on compensation,
assistance and resettlement and procedures of land acquisition, land allocation and
land lease.
• Decision No.45/2009/QD-UBND dated 25th December 2009 issued by Lao Cai
province on regulations on compensation, assistance and resettlement upon the State’s
recovery of land in the area of Lao Cai province.
• Decision No.49/2010/QD-UBND dated 29th December 2010 issued by Lao Cai
province on land price in Lao Cai province in 2011.
Generally, Land Law 2003 and the latest Decree of Vietnam, which provide the regulations
on compensation, assistance and resettlement when the State recovers land, has met most of
the policy objectives of the World Bank on 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; kin groups are dispersed; cultural
identity, traditional authority, and the potential for mutual help are diminished or lost. Thus
the World Bank’s policy regulated by OP 4.12 includes 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 areas 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 resettlement programs.

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

20. Eligibility for Compensation:

20.1 DPs, who must relocate or are affected by the project are entitled to the compensation and/or assistance 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 wherever possible; to minimize involuntary resettlement by exploring project and design alternatives; to enhance, 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 groups. 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 subprojects.

20.3 According to the Bank policy, the DPs is under category of (a) and (b), Clause 20.1, Para 20 are provided compensation for land and other assistance. Persons belonging (c) are provided 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) resulting in adverse impacts on the livelihoods of the displaced persons, measures to assist the 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 resettlement plan preparation. During implementation phase, monitoring will be used to determine if they have achieved livelihood restoration through these means; and if not, further special assistance package(s) will be proposed that ensure the DP’s livelihood restoration has done.

20.5 This policy applies to all components of the project that result in involuntary resettlement, regardless of the source of financing. It also applies to other activities resulting in involuntary resettlement, that in the judgment of the Bank, are (a) directly and significantly related to the Bank-assisted project, (b) necessary to achieve its objectives as set forth in the project documents; and (c) carried out, or planned to be carried out, contemporaneously with the project. In that case, a due diligence approach will be applied.
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 price, plus the fees for obtaining certificates of land use right. For the affected houses and other structures, the valuation is based on the market price 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 works, 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 DP households are not deducted. During 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, which will be served as basis for Lao Cai PC to decide compensation price to ensure that it is at the market 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 with permanent residence registration are entitled to select options such as relocation to better resettlement site or receiving cash compensation, or combination of both resettlement site and receiving cash.
- A new resettlement site for DPs is not only better infrastructure and public services but also has higher living condition, and it also create a favorable for accessing to modern life.
- Assistance to help DPs in transition period and arrangement of organizations in order that people can be informed and negotiated about compensation and can raise their voice of grievances.
- For households, who are not eligible for compensation, the Government utilizes supports. According to the World Bank policy these supports must be made to ensure that affected people can restore their living conditions.
- The principle, condition for land compensation are defined as in Article 14 Decree 69/2009/ND-CP dated 13/08/2009 issued by GoV and Article 6 Decision 45/2009/QD-UBND dated 25/12/2009 issued by Lao Cai province which indicated that, those with land that is to be acquired which is being used for a particular purpose will be compensated with new land suitable for the 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 acquisition. If there is a difference between the value of compensation and the new land or house it can be paid in cash.
Table 1: Differences between National Laws and the World Bank Policy and MCDP Policy

<table>
<thead>
<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>Compensation 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. 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</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>Key Issues</td>
<td>National Laws</td>
<td>World Bank Policy</td>
<td>Project Policy</td>
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<tr>
<td>Non-registered business</td>
<td>Decree 197/2004, Articles 26-28: Only registered</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</td>
<td>Decree 69/2009, Article 20 &amp; 22: All DPs losing</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>
<tr>
<td>assistance</td>
<td>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>
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<td></td>
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</table>
4. 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 Attachment 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 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 assist 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 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 by equal agricultural land (or land-for-land) but is
not exceeding the acquired area of land, which is acceptable to DPs and their trees and crops; (iii) replacement of residential land (if any) by an equal residential land, which is acceptable 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 acceptable to DPs. In case acquired land includes minor fractions of land (i) less than 20% of total agricultural land of a land-based households and in case of vulnerable peoples –less than 10% (ii) smaller than the standard area for residential 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 minimized and the rehabilitation means shall be provided to DPs no later than one month prior to the expected start-up date of works in the respective project site.

(f) Plans for land acquisition and other assets and 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 stages. 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 abided by clauses of approved RPs for compensation payment of such subprojects and ensures that compensations and 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) Institutional 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 by the executing agencies.

4.4. Entitlements

4.4.1 Compensation Policy for Loss of Agricultural Land

28. There are four (04) kinds of affected agricultural land in Lao Cai subproject, including forest land, land for annual crop/plants, garden land and aquaculture land (fish pond). The DPs will be entitled to the following types of compensation and rehabilitation measures:

(a) The general mechanism for compensation of lost agricultural land will be through provision of "land for land" arrangements of equal productive capacity, satisfactory to the DP. If land compensation size is smaller or lower quality, DPs will be entitled to compensation on cash equivalent the differences.

However, if land is not available or the DP prefers to receive cash compensation then the following applies:
Legal and legalizable land users:

(i) if the portion of the land to be lost less than 20% of the total area of the landholding (for the poor and vulnerable group, portion of the land to be lost present less than 10%), and the remaining land is still economically viable holding, cash compensation for the lost area, at full replacement cost, be provided to the DP, or

(ii) if the portion of the land to be lost present 20% or more of the total area of the land holding (for the poor and vulnerable group, portion of the land to be lost present 10% or more), then in addition to cash compensation at full replacement cost for the lost area (or for the entire affected plot if the remaining area of the plot is not economically viable), the Project will provide rehabilitation allowances:

For agricultural land in urban areas/ garden, pond and house in a same plot of land with house thereon; in addition to the compensation by agricultural land price where perennial trees are planted or garden land prices, in addition to compensation by replacement costs, households will be supported by 50% of average residential land prices in the areas where such land is recovered (This support area does not exceed 5 times of the limit standard of local allocation).

Users with temporary or leased rights to use land:

(i) if the portion of the land to be lost represents less than 20% of the total area of the land currently used by the DPs, they will be compensated at the amount corresponding to the remained investment in the land or 30% of land replacement cost.

(ii) if 20% or more of the land area currently used by the DPs is acquired, then the priority to compensate by other land of temporary use rights, or, in request of DPs or if there no available land to compensate ‘land for land’, the cash compensation will be applied at the amount corresponding to the remained investment in the land or 30% of land replacement cost.

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

Land Users Without recognized Rights to Use Land

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

(ii) For poor and vulnerable, affected farmers 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 is no land available for allocation or, on the DPs’ request as informed choice, in addition to above, a package of vocational training and job creation will be two times in minimum of agricultural land price for the whole acquired area (the land for annual tree 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 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).

In case when the affected persons utilize the public land (of Right of Way or in protection areas of hydraulic works), that subjects to be acquired under the project, with conditions to return, on request, the land to the Government, they (DPs) will not be compensated for this public land, but will be compensated for crops and trees at full market prices.
(b) DPs will be compensated for the loss of standing crops and fruit or industrial trees at market price. Productive trees will be compensated at replacement cost.

4.4.2 Compensation Policy for Residential Land

29. User who affected with residential land will be compensated as follows:

**DPs losing residential land without structures**: Compensation for loss of land in cash at 100% replacement cost to the legal and legalizable land users; (ii) support by cash equivalent to the remaining values invested in such lands, or equivalent to 30% of replacement cost of land to the users having no legal land use rights.

**DPs losing residential land with structures built thereon and the remaining land is sufficient to rebuild on (reorganizing DP)**: DPs will be compensated on cash as follows: Compensation for loss of land in cash (i) at 100% replacement cost to the legal land users; (ii) the amount corresponding the remained investment on the land to the users having no legal land use rights, equivalent to 30% of replacement cost.

a. Compensation for affected structures at 100% replacement cost.

b. If house/structure is partially affected, house users will be compensated additional cost for repairing and restoring their structures as before or even better (similar to 20% of the total values of affected structures).

c. If DPs have to rebuild the main house (not necessary to relocate to new area), they will also receive allowance equivalent to 50% of those for relocated DPs.

**DPs losing residential land with structures built thereon and without remaining land sufficient to rebuild on (relocating DP)**: They are entitled to:

(a) The land compensation policy is as follows:

(i) The DPs, who have legal or legalizable rights to the affected land, can opt to one of the followings:

- DP will be compensated in cash for their wholly acquired land, in addition to provision of replacement residential land plot at project resettlement site, with payment of land use fee, as stipulated;

- The provision of replacement residential land at a location acceptable to the DPs with full land title. In case, basic infrastructure of the indicated resettlement are is not available, an amount of cash sufficient to develop basic infrastructure, including access road, access to electricity, to water supply, drainage, which at least are equal to conditions existed at the former location, or these facilities will be provided/developed by the project, or, on request as the DP's fully informed choice,

- Cash compensation for entire residential land at 100% replacement cost, with 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, or equal 30% of replacement cost.
Regarding the poor or vulnerable DPs 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 resettlement sites 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 replacement cost for them to re-arrange relocation by themselves.

(b) Compensation for affected structures at 100% replacement cost;

4.4.3 Compensation Policy for Loss of House/Structures

30. Compensation Policy for Loss of Architectures/Structures are 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 will be provided at 100% replacement cost for materials and labour, regardless of whether or not they have title to the affected land or permit to build the affected structure. The amount will be sufficient to rebuild a structure the same as the former one at current market prices.

(ii) If house/structure is partially affected, the project will provide a house/structure repairing cost, in addition, to DPs to restore it to former or better conditions similar to 20% of the total values of affected structures).

(iii) Compensation and assistance will be provided in the form of cash. No deductions will be made for depreciation or salvageable materials.

(iv) The calculation of rates will be based on the actual affected area and not the useable area.

For affected Graves:
The level of compensation for the removal of graves will be for all costs of excavation, relocation, reburial, spiritual performance and other related costs. Compensation in 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 a private house for residential purposes will be provided with assistance equal to the remaining rental contracted value, but not exceeding rental value for six months, plus transportation allowance of VND 1,500,000 for moving their belongings, as well as assistance in identifying alternative accommodation.
4.4.4. Compensation Policy for Loss of Standing Crop and Trees

31. For annual and perennial standing crops, regardless of the legal status of the land, compensation will be paid to households who cultivate the land, according to the full market price of the affected crops and/or at replacement cost for affected perennial trees.

4.4.5 Compensation Policy for Loss of Income and/or Business/Productive Assets

32. For DPs losing income and/or business/productive assets as a result of land acquisition, the mechanism for compensating will be:

(i) cash compensation for the loss of income during the transition period, equivalent average monthly net income at least for six months;

(ii) if business or productive assets are affected, cash compensation for lost business structure/assets reflecting their full replacement cost, without depreciation;

(iii) if the business has to be relocated, then, a provision of alternative business site of equal size and accessibility to customers, satisfactory to the DP, or, in cash for business affected area at replacement cost, plus transportation allowance to remove movable attached assets.

4.4.6 Compensation for Temporary Impacts during Construction Stage

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

For agricultural land that will be temporarily affected:

(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 using land, or, 2) “Give it to the Project and be compensated as permanent loss

For temporary loss of residential land:

(i) Compensation for all affected movable properties at full replacement cost.

(ii) Restoration of land to its previous or better quality.

For temporary impact on business:

(i) Compensation for temporary loss of income, equivalent an average monthly net income at least for three months.

(ii) Compensation for all affected movable properties at full replacement cost.

(iii) Restoration of land to its previous or better quality.

For damages caused by contractors to private or public structures:

(i) Damaged property will be restored by contractors immediately, after completion of civil works, to its former condition.
(ii) Under their contract specifications, the contractors will be required to take extreme care to avoid damaging property during their construction activities. Where damages do occur, the contractor will be required to pay compensation immediately to affected families, groups, communities, or government agencies at the same compensation rates that shall be applied to all other assets affected by the Project. In addition, damaged property will be restored immediately to its former condition.

4.4.7. **Compensation for Secondary DPs**

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

4.4.8 **Compensation for Affected Public Utilities**

35. In cases where community infrastructure such as schools, bridges, factories, water sources, roads, sewage systems is damaged, City PCs and PMUs will ensure that these would be restored or repaired as the case may be, at no cost to the community.

4.4.9. **Other Allowance and Assistance in Transition Period**

36. For DPs whose agriculture land affected, in addition to aforementioned compensation payment, the Project will provide rehabilitation allowances of:

(i) Vocational Training and Job Creation: The minimum support will be two times of agricultural land price for the whole acquired area (the land for annual tree 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 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)\(^4\).

The further forms of assistance for vocational training 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. It would be in combination with extension/ relevant technical assistance to help the poor and disadvantaged farmers to improve their farming productivity/ production capacity.

(ii) Production and Living Rehabilitation: the DPs losing 20% or more of agricultural land (and 10% or more for vulnerable groups) will be entitled to supported by cash equivalent to 30 kg rice or VND 400.000 per month per person for duration of 6 months if not to be relocated and for duration of 12 months if relocated. In cases where more than 70% agricultural land is acquired, the DPs will be supported for duration of 12 months if not to be relocated and for duration of 24 months if relocated;

37. For DPs whose residential land affected, in addition to aforementioned compensation payment, the Project will provide rehabilitation allowances of:

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\(^4\) 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.
Compensation, Assistance and Resettlement Policy Framework

(i) Transportation Allowance: For households who move to other residential areas within the province, will be received 3,000,000 VND/household. Move to other provinces, maximum support is: 8,000,000 VND/household.

(ii) House Renting during house construction: 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, the City People's Committees decided to support renting house for DPs till they receive locations of resettlement and more 06 months for building new houses.

38. Bonus: Land user, who comply with the relocating their assets, crops, handing over the land in time and meet the requirements of subproject owner will be awarded depending on the type of architecture, but not exceeding 3,000,000 VND per household.

39. Vulnerable Groups: households and individuals whose land is acquired (including households living on public land or leased land) will be assisted as follows: (i) the poor (identified by local authorities in accordance with MOLISA criteria) are supported with VND 8,000,000 per household; (ii) policy/revolution devoting households are supported VND 3,000,000 per household; (iii) Ethnic Minority peoples are provided with special packages such as training course, income restoration program that is described thoroughly in separate Ethnic Minority Plan report, and (iv) other supports (if any) in accordance with the local specific regulations.

4.4.10. Rehabilitation Measures

40. Any DP exposed to any impact other than those considered to be minor, will have a range of programs to support their full livelihood restoration and assure asset compensation at replacement values either consider each structure separately or if they consider structures by “types” to consider the most expensive structure in that group as bench mark.

41. Furthermore, the DPs who are physically displaced, or 20% of land of the total productive area is lost (for the poor and vulnerable group, portion of the land to be lost present 10% or more), in addition to above mentioned cash compensation and assistances and as request by DPs, will be entitled to other rehabilitation measures such as low interest credit loan, vocational training and job creation, agricultural land-for-land, and the replacement of premise land. Selection and detail description of the rehabilitation measure will be provided in specific RP.

4.5 Site Selection, Preparation and Relocation

42. All of displaced households processing recognized residential land, will be arranged land plot in resettlement area, regardless of having their family-register or not. In the case of households/people who receiving resettlement land and their compensation paid is not enough for them to buy a minimum land plot, they will be supported with the different value. In case, households don’t want to receive their resettlement land, they will receive in cash equivalent to that different value.

43. The households using land without recognized land use right, who haven’t got any house to live and have the local government’s confirmation, will be considered to buy
resettlement land. If they cannot afford for the allocated land plot, they can own the payment amount to the Government.

44. If affected DPs are required to be relocated because of the project impacts and resettlement sites are required, the PPC and local authorities will provide information to DPs including alternative relocation sites and criteria used to select final relocation site covering:

(a) Institutional and technical arrangements for identifying and preparing relocation sites of productive potential, location advantages, and other factors at least comparable to the old sites, with an estimate of the time needed to acquire and transfer land and ancillary resource;
(b) Any measures necessary to prevent land speculation or influx of ineligible person at the selected sites;
(c) Procedures for physical relocation under the project, including timetables for site preparation and transfer; and
(d) Legal arrangement for regularizing tenure and transferring titles to re-settle;
(e) Housing, infrastructure, and social services. Plans to provide (or to finance re-settles’ provision of) housing, infrastructure (e.g., water supply, feeder roads), and social services (e.g., schools, health services); plans to ensure comparable services to host population; including necessary site development, engineering, and architectural designs for these facilities.
(f) Description of boundaries of the relocation area; and an assessment of the environment impacts of the proposed resettlement and measures to mitigate and manage these impacts (coordinated as appropriate with the environment assessment of the main investment requiring the resettlement).
(g) During preparation phase, the DP will be provided with different relocation options, for their choices.

5. Institutional Arrangements

45. The implementation of resettlement activities requires the involvement of agencies at the national, provincial, district and commune level. Each provincial people's committee will take general responsible for the implementation of the general policy framework and specific resettlement plan of the subproject of that province. 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)

46. The PPC in each involved province is responsible or authorize 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) Evaluate and approve the resettlement plans after the final drafts are approved by the Bank;
(ii) Approve the land acquisition and allocation in the Project;
(iii) Make final decision and release unit prices for the compensation and assistance levels, and support policies for affected persons and vulnerable groups based on this Policy Framework and the approved RPs;
(iv) Direct the coordination among the concerned agencies and the provincial departments to implement the compensation, assistance and resettlement in accordance with the approved RPs;
(v) Provide full budget for the resettlement activities;
(vi) Ensure that the resettlement activities of the sub-project are in accordance with the Policy Framework and the approved RPs;

5.2. City People’s Committee

47. 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 members of the Board/Council of resettlement of the city.

City’s Resettlement Committees

48. The compensation and resettlement committee/council (CRC) of the city is responsible for:
(i) planning and implement all daily RP activities within the city;
(ii) directing and monitoring the Resettlement specialist in charge of inventory of land acquisition, completion of compensation plans, review of the compensation plans to submit the PCs of provinces or cities (if authorized) for approval and coordinate with the PMU; and to pay compensation directly to each affected persons after receiving compensation fund;
(iii) coordinating with relevant units for conciliation and resolution of DP complaints by project affected people on compensation policy and compensation rights;
(iv) establishing, if necessary, the commune/ward CRCs and guide them on implementing activities involed in the RP;
(v) taking into account the needs and aspirations and demands 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 price appraiser (s).

5.3. Project Management Unit (PMU)

49. The Project Management Unit (PMU) will be established by the project owners for their subprojects. The Project Management Unit is a permanent agency responsible for the implementation of resettlement plan of the project. 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 first stage. Staff’s and their professional profile and training content will be agreed with WB. The PMU responsibilities are:
(i) On behalf of the project owner or the city, implement and monitor all resettlement activities within the project, under the management of the PPC or the city PC. (If they are not capacity enough, they can contract to perform a number of works for site clearance and resettlement);

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

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

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

(v) To establish model procedures/processes regarding 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 in the province;

(viii) To advise the city People's Committee, and the Resettlement Council for the establishment of a professional group in resettlement planning and implementation including: carrying out the inventory, census and economic assessment, elaborating compensation plans, preparing compensation summaries, and setting 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 PMU and the city CRCs.

(ix) Preparation and construction of resettlement sites and establishing procedures for land allocation for relocated households; management of resettlement sites to serve the resettlement for households and individual being relocated within the project.

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

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

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

(xiii) To establish 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;

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

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

(xvii) To take over land acquisition from households and transfer to contractor units;
(xviii) To mobilize the independent land appraiser to conduct RCS which is basic for Lao Cai PC to define the compensation price at the market price for the project.

(xix) To cooperate closely with the independent monitoring agencies; and independent price appraiser (s);

(xx) To define reporting periodically system on resettlement activities to the WB;

5.4. **People’s Committees of Wards/ Communes**

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

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

   (ii) Support other organizations and units, including the PMU, in the demographic survey, cost/replacement price 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 support;

   (iv) Support affected persons in all RP activities and living standard restoration. Notify DPs the compensation schedule and monitoring the compensation implementation and sign on contracts of compensation with DPs;

   (v) Ensure the adequate implementation of mechanisms of resolving complaints to affected persons. To keep records of document on complaints. Support, advice and guide affected persons to resolve complaints.

   (vi) Certify the origin of land use of organizations, agencies, units and individuals, households affected by the project.

5.5. **Social Safeguard Consultants**

51. **Independent Monitoring Agency** To select and hire one or more agencies/organizations or research institutes in charge of carrying out 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 Agency will report periodically on progress and make recommendations regarding proposals to solve the problems detected during their surveillance.

52. Furthermore, an independent international consultant will be retained to form part of an independent review panel to advise complex and potentially controversial resettlements, if needed.

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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 "
6. **Preparation of Subproject Resettlement Plan**

6.1 **Preparation of Resettlement Plan**

53. Preparation works for the subproject need 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) minor resettlement impact; and (iii) considerable resettlement impact. The Item (ii) requires Abbreviated Resettlement Plan and the Item (iii) require a Full Resettlement Plan.

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

**Step 3:** If subprojects fall into cases (ii) and (iii) as mentioned above, social assessment and evaluation surveys will be required. Social assessment including household member statistic and household survey is implemented for households who may be affected. The survey contains socio-economic information collection of DPs, determines affected types, affected level and property inventory. The census survey (or the DMS) establishes the cut-off date for the eligibility of entitlement with 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 demand. This result of consultation should be included in the RP. Survey on market prices of land, farm produces and assets from every government of city, urban district, ward/commune as well as in the market will make foundation for RP cost estimation.

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

**Step 5:** Approval of RP: Resettlement Plan should be disclosed before submission to the Bank, for review and determine whether it conform to the requirements of OP 4.12. While the RP is satisfactory to the Bank’s requirement, this report will be approved by local authority, and will be re-disclosed publicly.

6.2 **Project Appraisal**

54. One of the project assessment criteria is a preparation of RP(s) (when necessary) which match the “Involuntary Resettlement” policy of WB (OP 4.12). This RP must be established and translated into English to submit to the WB for no objection before the WB conducts a project appraisal. The social assessment and statistic of resettlement impacts on households may discover a new affected groups and types of impact are not mentioned in the

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6 Impacts are considered “minor” if the affected people are not physically displaced and less than 10% of their productive assets are lost)
Entitlement Matrix. If this type of impact arises, the responsible agency should update it into the RPF and the RP.

55. 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 RPs, the provincial PC will approve the RP and take general responsibility for implementation of the approved RPs. IDA/WB will not approve any loan funds for any construction contracts unless the Government completed the compensation, resettlement and land acquisition included the measures to recover people's living conditions.

7. Community Consultation and Information Disclosure

7.1. Objective

56. Disseminating information to people affected by the project and the involved agencies is an important part in the work of project preparation and implementation. This work includes the consultation with affected persons and ensures their active participation in reduce the potential conflict and risk of slowing the project. 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 people and therefore, maximizes economic and social efficiency of investment. 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 Committee during the subproject 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/Board of Compensation and Resettlement of the city/province and participate in resettlement activities (property evaluation, compensation and resettlement monitoring).

(ii) Share all information about planned work items and activities for the subproject affected people.

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

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

57. The subproject preparatory stage, public information and consultation aims 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.

58. The methods of the subproject information 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.

59. 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 also consulted on project compensation policy and potential impacts and possible measures to reduce potential negative impacts, and improve benefits for local people.

60. The local authority is 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.

61. 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

62. 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 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.
• Consult affected people 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.

63. Community meetings: Before starting the detail design, there will be community meetings held in each affected ward/commune to provide additional information for affected people 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 people to discuss the concerned issues and clarify information. In addition to notification letters addressed to affected people, 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 people 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.

64. 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:

(i) Explanations given verbally and in visual format, including written information and drawings of the proposed design for the different component of the Project.

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

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

(iv) 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.

65. The following information will be given to the DP:

(i) Project components. This section also 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 explanations of why land is acquired for each working item of the project.

(iii) DPs’ Interest and Entitlement 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 boards 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 participate 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/Boards at all levels will be provided with maps and drawings of implementation schedule.

66. 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.

67. **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 city centers, the Info Shop in Washington DC and Vietnam Development Information Center (VDIC) in Hanoi.

### 7.4. Grievance Redress Procedure

68. 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.

69. 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.

70. 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 verbally\(^7\) or in written papers to Grievance Panel. They 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.

**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.

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

72. 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.

73. 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.

### 8. Implementation Schedule

74. The implementation schedule is as follows:

65.1 *Information dissemination before 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)

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\(^7\) The verbally complain might be acceptable at the communal level, but complaint in written paper is obligatory at higher level.
the grievance mechanism. Dissemination documents (pictures, photographs or brochures) about project implementation will be prepared and deliver to all affected ward/commune in the meetings.

65.2 Setting up compensation and resettlement councils/committees The PPC will establish councils/committees of compensation and resettlement of the city immediately after the Project is approved.

65.3 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.

65.4 Updating Compensation prices: During the detail design, the PPC, based on replacement cost survey’s result from independent land appraiser 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 results from RCS and the consultation of affected people and the local governments.

65.5 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.

65.6 Fixing prices and compensation for DPs: The city CRC takes responsibility to fix the prices, based on RCS made by independent land appraiser, then submit to PPC for approval. After the price approved, the PMU 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.

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

9.  Budget

75. 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.
76. Budget for compensation, resettlement and assistances for the subprojects will be taken from the project counterpart fund. Training cost for RP implementation, independent monitoring, and independent land appraiser will be taken from IDA fund of the project.

10. Monitoring and Evaluation

10.1. Monitoring

77. 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.

78. 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 the objectives and purpose of the Project or not, and how much do they reach?

79. The implementation agency (the PMU) as well as the independent monitoring agency (which is contracted with the PMU) shall monitor and supervise the RP implementation regularly.

10.2. Internal monitoring

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

81. 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) In coordination to complete RP activities and award construction contract.

82. The PMU will collect information every month from the different CRCs. A database tracking the resettlement implementation of the Project will be maintained and updated monthly.
83. The PMU will submit an internal monitoring report on the RP implementation as a part of the quarterly report they are supposed to submit the WB.

(i) Number of affected persons according to types of effect and project component and the status of compensation, relocation and income recovery for each item.

(ii) The distributed costs for the activities or for compensation payment and disbursed cost 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) RP Schedule is actually updated.

10.3. Independent Monitoring

84. Objective. The general objectives of independent monitoring are to periodically supply 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) in an attempt to bring about strategic lessons for making policy and planning in the future.

85. Responsible Agencies. In accordance with the World Bank requirements for consultant procurement, PMUs will hire an or up to three organization/s for the independent monitoring and evaluation of RPs implementation. This organization is called the Independent Monitoring Organization (MO) which expertise in social science and experiences in independent monitoring of RP. The MO should start their work as soon as the updated RPs have been approved.

86. Monitoring and Evaluation Objectives The following indicators will be monitored and evaluated by the MO:

(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 technical 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 monitoring and recorded. Operation of the complaint mechanism and speed of complaint settlement will be monitored.
Through the implementation, trends on living standard will be observed and surveyed. Any potential issues in the recovering living standard are reported.

10.4. **Methodology for Independent Monitoring**

A. **Sample Survey**

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

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

B. **Database Storage**

89. 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 PMUs and the World Bank.

C. **Reports**

90. The independent monitoring agency must report every 6 months which mentions 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 report.

91. 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 situation 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 Report**

92. The monitoring reports will be discussed in a meeting between the IMA and PMU. PMUs held meetings immediately after PMU receive 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**

93. Ex-post resettlement evaluation is an assessment at a given point of time of the impact of resettlement and 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.

94. A Resettlement Plan cannot be considered complete until an ex-post evaluation and completion audit or survey confirms that all entitlements have been received by beneficiaries and livelihood restoration is progressing on schedule.
# Annex 1: Entitlement Matrix

<table>
<thead>
<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>
</tr>
</thead>
</table>
| 1  | Permanent loss of agricultural land | Less than 20% of HH's total land holding lost (less than 10% for the poor and vulnerable group). | User with legal or legalizable rights to use the affected land. | DPs will be entitled to:  
(i) Cash compensation for acquired land at 100% replacement cost;  
(ii) Cash compensation for crops and trees at market price. | 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. |
| 2  | Land Users with Temporary or Leased Rights to Use Land that cannot be legalized as long term land user | (i) Cash compensation for acquired land equivalent to remained investment put on the land; equivalent to 30% of replacement cost, and  
(ii) Cash compensation for loss of crops and trees at market prices; | | | |
| 3  | 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 | | | |
| 4  | 20% or more of HH's total land holding lost. (10% or more for the poor and vulnerable group). | (i) As priority, compensation "land for land" equivalent productive capacity at a location acceptable to the DPs, or,  
(ii) If requested, or "land for land" is not available, cash compensation for the lost land at 100% of replacement cost Compensation for loss of trees and crops at full market price | Rehabilitation assistance will be applied in case if the option "land for land" cannot be available.  
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. | | |
| 5  | Land Users with Temporary or Leased Rights to Use Land that cannot be legalized as long term land user | (i) As priority, compensation "leased land for leased land" at location acceptable to DPs, , or, if requested or there no reserved land to compensate "land for land", Cash compensation equal to remained investment put on the land or 30% of replacement cost; and,  
(ii) Cash compensation for loss of crops and trees at full market price | | 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 | |
<table>
<thead>
<tr>
<th>No</th>
<th>TYPE OF LOSS</th>
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<td>market prices;</td>
<td>adjust adequately by case.</td>
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<td>1</td>
<td>Illegal land users</td>
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<td>(i) In lieu of compensation for land, the DPs will receive assistance corresponding 60% of land replacement cost.</td>
<td>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. Rehabilitation assistance will be provided to poor and disadvantaged DPs if the cash compensation option will be applied.</td>
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<td>(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 creation will be two times in minimum of agricultural land price for the whole acquired area (the land for annual tree 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 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).</td>
<td>(iii) Cash compensation for loss of crops and trees at full market prices or replacement cost respectively;</td>
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<td>(iii) Cash compensation for loss of crops and trees at full market prices or replacement cost respectively;</td>
<td>(i) Compensation for affected structures at replacement cost; and, (ii) Compensation for affected structures at replacement cost; and, (iii) If house/structure is partially affected, house users will be compensated additional cost for repairing and restoring their structures as before or even better (similar to 20% of the total values of affected structures).</td>
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<td>2</td>
<td>Loss of residential land</td>
<td>Land acquired without structures built therein.</td>
<td>User of the affected land.</td>
<td>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 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>(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>
<td>(i) Compensation for land acquired with structures built therein and the remaining land is sufficient to rebuild on</td>
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<td>(ii) Compensation for affected structures at replacement cost; and,</td>
<td>(1) Compensation policy for land:</td>
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<td>(iii) If house/structure is partially affected, house users will be compensated additional cost for repairing and restoring their structures as before or even better (similar to 20% of the total values of affected structures).</td>
<td>At the time of compensation, allowances will be adjusted to account for inflation.</td>
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|    | structures built therein and the remaining land is not sufficient to rebuild on. |                                                                             | (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 project resettlement site;  
  - The provision of replacement residential land at a location acceptable to the DPs with full land title; In case, basic infrastructure of the indicated resettlement area is not available, an amount of cash sufficient to develop basic infrastructure, including access road, access to electricity, to water supply, drainage, which at least are equal to conditions existed at the former location, or these facilities will be provided/developed by the project.  
  Or, on request as the DP's fully informed choice,  
  - Cash compensation for entire residential land at full replacement cost,  
  (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, or equal 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;  
  allowances will be adjusted to account for inflation. |                                                                                                                                                                                                                                                                                                                                                     |
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<td>affected, to restore it to former or better conditions.</td>
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<td>1</td>
<td>Tenants</td>
<td></td>
<td>Tenants</td>
<td>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 a private house for residential purposes will be provided with assistance equal to the remaining rental contracted value, but not exceeding rental value for six months, plus transportation allowance moving their belongings, as well as assistance in identifying alternative accommodation.</td>
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<td>2</td>
<td>Graves located in the affected areas.</td>
<td>Owners of graves.</td>
<td>DPs are entitled to cash compensation for all costs of excavation, movement, and reburial.</td>
<td>For ownerless affected graves, compensation will be given to local PC to relocate them to new site</td>
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<td>3</td>
<td>Loss of standing crops and trees</td>
<td>Crops affected.</td>
<td>Owners of affected crops</td>
<td>DPs are entitled to compensation for affected crops in cash at market 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>4</td>
<td>Trees affected.</td>
<td>Owners of affected trees.</td>
<td>DPs are entitled to compensation in cash at market value on the basis of type, age, and productive value.</td>
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<td>5</td>
<td>Loss of income and business/ productive assets</td>
<td>Owner of the affected business/other productive assets.</td>
<td>(i) Compensation for loss of income during transition period, equivalent average monthly net income at least for six months. (ii) Compensation for structure at full replacement cost. No deduction shall be made for depreciation or salvageable materials.</td>
<td>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.</td>
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| 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 | At the time of compensation, allowances will be adjusted to account for inflation.  
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 condition. |                     |                       |
| 7  | Loss of community assets | Community buildings, structures, community forest/grazing/or other land/ irrigation systems affected by temporary or permanent land acquisition or spoil | Village, Ward, Government Unit. | (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. | 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 |
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<td>8</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 move to other residential areas within the province, will be received 3,000,000 VND/household. Move to other provinces, maximum support is: 8,000,000 VND/household. For household who rebuild main house on their remaining land will be entitled 50% of the above mentioned item.</td>
<td>At the time of compensation, allowances will be adjusted to account for inflation.</td>
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<td>House Renting during house construction: 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, the City People's Committees decided to support renting house for DPs till they receive locations of resettlement and more 06 months for building new houses. For household who rebuild main house on their remaining land will be entitled 50% of the above mentioned item.</td>
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<td>House Renting</td>
<td>Relocating DPs and the DPs who have to rebuild main house on their remaining land</td>
<td>The land users will be entitled to supported by cash equivalent to 30 kg rice or VND 400,000 per person per month within 6 months if not to be relocated and within 12 months if relocated. In case more than 70% agricultural land acquired, the users will be supported within 12 months if not to be relocated and within 24 months if relocated.</td>
<td>At the time of compensation, allowances will be adjusted to reflect market price or account for inflation.</td>
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<td>Transition subsistence allowance.</td>
<td>DPs who have 20% or more of their agricultural land holding affected (10% or more for the poor and vulnerable group)</td>
<td>The minimum support will be 2 times of agricultural land price for the whole acquired area (the land for annual tree 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 the working age (not applicable for those who enrol for a vocational training outside the province).</td>
<td>Concrete form of assistance will be intensively consulted with the farmers to meet their actual needs, assisting them able to restore or improve their earning capacity and income.</td>
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