



NATIONAL COMMITTEE FOR RURAL DEVELOPMENT AND POVERTY ERADICATION (NCRDPE)

PRF II - ADDITIONAL FINANCING

COMPENSATION AND RESETTLEMENT POLICY FRAMEWORK (CRPF)



February 2015

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY



The Poverty Reduction Fund

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

-March 2015

TABLE OF CONTENTS

SECTION I: INTRODUCTION	2
SECTION II: PROJECT DESCRIPTION	3
SECTION III: EXPECTED IMPACT AND EXPERIENCE OF THE ORIGINAL PROJECT.....	6
Lessons Learned from PRFII include the following:.....	6
Anticipated impacts under the AF	7
SECTION IV: OBJECTIVE, ELIGIBILITY AND PRINCIPLES OF CRPF	7
Objective of CRPFs to provide the national, provincial and district government, the PRF team, consultants, village officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively addressing the social issues in line with OP 4.12 Involuntary Resettlement. Specifically, the CRPF aims to achieve the following:.....	7
SECTION V: POLICY, REGULATORY FRAMEWORK	10
World Bank Policy on Involuntary Resettlement (OP 4.12)	10
Government’s Policy, Regulations, and Guidelines	10
Key Differences in Government’s Regulations and World Bank Policies	11
Implementation arrangement	11
SECTION VI: THE FRAMEWORK FOR RESETTLEMENT AND ACQUISITION OF LAND OR ASSETS (FRALA).....	14
SECTION VII: FEEDBACK AND RESOLUTION MECHANISM (FRM), INCLUDING GRIEVANCE MECHANISMS.....	1

SECTION VIII: ENTITLEMENT MATRIX	6
SECTION IX: BUDGET	7
Annex 1a. Social Screening Checklist Form	8
Annex 1b: Summary Information Matrix on Affected Land and Infrastructure	13
Annex 2. Definitions of Terms	14
Annex 3VOLUNTARY CONTRIBUTION FORM.....	16
Annex 4: Land Acquisition/ Resettlement Report	17
Annex 5. Reporting Form on Safeguard Compliance Monitoring	18

LIST OF ACRONYMS

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

SECTION I: INTRODUCTION

The implementation of the PRF II (the original project) is progressing well. It improved access to and utilization of basic infrastructure and services for more than 450,000 rural poor in about 850 communities from financing about 1,000 subprojects identified by beneficiaries themselves. About half the direct beneficiaries are women, and ethnic minorities account for about 70% of Project beneficiaries. Utilization and sustainability of the infrastructure and services are seen in the fact that subprojects completed over two years ago are being used and maintained reasonably well, and beneficiary satisfaction levels is high at about 80%.

Disbursement currently stands at 91 percent.

Against the positive outcome, the government of Laos (GoL) requested the Bank to provide a bridge financing in the amount of \$11 million in order to avoid a premature closure of local project offices and maintain the PRF's implementation capacity in all ten project provinces. It is projected that, if project implementation proceeds at the current pace, all planned activities will likely be completed in seven of the 10 project provinces in September, 2015, more than one year earlier than the current closing date. Without additional resources, the PRF would be forced to significantly reduce the size of operation or staff in many provinces. Such a premature completion of project activities will result in a significant loss of implementation capacity at the local level, and create a significant capacity gap for the start of the prospective follow-on investments. An additional financing is thus requested so that project activities can continue to be implemented and project implementation capacity is maintained in all ten project provinces, while also contributing to further improving the rural poor' access to and utilization of priority infrastructure and services in villages that the PRF had not provided financing.

The AF would remain as Environmental Category "B", and four policies triggered for the original project would continue to be triggered: *Environmental Assessment (OP 4.01)*; *Pest Management (OP 4.09)*; *Indigenous Peoples (OP 4.10)*; and *Involuntary Resettlement (OP 4.12)*. Under the AF, three new safeguard policies, namely, *Natural Habitats (OP 4.04)*, *Safety of Dams (OP 4.37)* and *Projects on International Waterways (OP 7.50)* would also be triggered since the AF would finance subprojects to build or rehabilitate gravity-fed water supply systems or irrigation systems on tributaries of the Mekong river, which is considered an international waterway. It is highly unlikely that the AF activities create major, significant or irreversible adverse impacts that cannot be managed by communities themselves given the very small size of subprojects – on average, \$43,000. However, some minor land acquisition and/or minor asset loss may occur since sub-projects are designed during implementation on a demand driven basis. Similarly, ethnic groups will continue to be the majority of project beneficiaries who will participate in the design, implementation and monitoring of subproject implementation based on participatory processes. However, care has to be exercised to ensure that free, prior informed consultations are carried out with ethnic minorities and their broad community support is established, given their precarious socioeconomic as well as political situation.

To be in line with OP 4.01, OP 4.04, OP 4.09, OP 4.10, and OP 4.12, four existing safeguard instruments prepared as a standalone documents¹ for PRFII remains applicable for the AF.

¹These safeguards documents have been disclosed (both in English and Lao) at the World Bank InfoShop as well as at PRF offices in Vientiane, provinces, districts, and villages and at the World Bank office in Vientiane.

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

All safeguard instruments developed for the original project were updated for the AF, taking into account the experience of the original project and in order to better align with the scope of activities to be carried out under the AF. It aims to provide the national, provincial and district government, the PRF team, consultants, village officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively managing environmental and social issues in line with the Bank safeguard policies. The process will be implemented as part of the PRF project cycle and the activities will be fully integrated into the subproject selection, approval, implementation, and monitoring and evaluation process.

The CRPF follows Government of Lao PDR (GoL) Decree 192 on compensation and resettlement of people affected by development projects (2005). It is also connected to the EGPF and ESMF. If land or asset loss occurs to ethnic groups, provisions both of this CRPF and EDGP will be applied to address negative impacts. The PRF staff at central and local levels through its Community Development (CD) unit will be responsible for implementation of the CRPF and ensuring full compliance, including keeping proper documentation in the project file for possible review by the World Bank.

SECTION II: PROJECT DESCRIPTION

The AF would continue to finance, in the main, participatory processes and the improvement of small scale rural infrastructure identified under the participatory processes. The AF would also have a new component to finance livelihood and nutrition activities (component 3). These were included in the scope of the original project and implemented by the PRF, but which had been financed by a Japan Social Development Fund (JSDF) rather than through the IDA Grant. The existing safeguard instruments of the original project include measures to minimize and mitigate potential negative impacts of livelihood and nutrition activities support under the JSDF funding. The AF would also finance demand creation for improved sanitation in partnership with the Water and Sanitation Program (SWP) on a pilot basis in 40 selected villages of three provinces (component 2).

Component 1 – Community Development Grants

- *Planning for community and local development* The koumban planning process would continue to be carried out during the AF period based on a bottom-up processes, starting with the village level participatory meetings. The village development plans thus developed would be integrated at the koumban level through an inclusive process led by elected village representatives. Keeping in mind the objective of the PRF is to empower communities, due attention will be paid to further strengthening villagers' participation in sub-project planning, implementation and monitoring. Efforts will continue to be made under the AF to enhance the participation of ethnic minorities and women, especially those who live outside village main settlements, in the project planning and implementation processes and to ensure they receive project benefits.
 - *Community sub-projects*: The AF would also continue to finance sub-projects identified by communities by themselves based on participatory processes. PRF district staff, district local
-

government and sector officials would provide technical validation of proposals. The final decision for sub-project financing would be made in a transparent manner by the PRF koumban committee (which consists of representatives of villages that constitute respective koubans) based on criteria specified in the updated Project Operations Manual (POM). Sub-projects would continue to be required to meet appropriate technical standards of relevant sector ministries, which are outlined in the Quality Management System recently updated and applied under the original project and will remain applicable under the AF. Activities to be financed under the grants would be open except for items specifically excluded through the project's negative list. The sub-grant ceiling of 60,000USD will continue to be used under the AF. Care will continue to be exercised to strengthen the disaster resilience of PRF investments. On-site inspection will continue to be conducted for selected sub-projects under the AF to assess their disaster resilience, and guidance be developed to make PRF investments more resilient against disasters.

Component 2: Local & Community Development Capacity-Building

- Village & Koumban level: This component will continue to support the PRF objective of empowering communities by training them in assessing their own needs, discussing these with local authorities, implementing and supervising the construction of small public infrastructure investments, procurement, financial management, operations and maintenance (O&M), and lastly monitoring outputs and outcomes at the community and koumban levels.
- District & Provincial level: The component would continue to finance investments to strengthen the capacity of district and provincial officials to support pro-poor local and community development processes, including financing of training on community and local development planning, financial management, and procurement.
- Central level: The component would also continue to finance strengthening of the Leading Committee to support national poverty targeting efforts, and to strengthen coordination of PRF II investments with those of various sector ministries and other entities supporting rural development in PRF II target koubans.
- Pilot partnership with Water Sanitation Program (WSP): The AF would pilot a partnership with the National Center for Environmental Health (Nam Saat) under the Ministry of Health (MoH) and support their Open Defecation Free (ODF) campaign in 40 selected PRF beneficiary villages. The Nam Saat has been implementing its sanitation program using Community-Led Total Sanitation (CLTS) approach, and the Bank has been providing Technical Advice². Under the existing ODF campaign, Nam Saat district staff sensitize villagers of the benefits of avoiding open defecation, and encourage them to build simple pit latrines on their own, which cost around \$30 per latrine. No external funding is involved in the construction of latrines - they are built by the villagers' own resources. The AF would finance the training and travel cost of community facilitators at the koumban level ("koumban facilitators") and Village Implementation Team (VIT) so they regularly engage with villagers, induce their behavioral changes and help beneficiary villages build simple dry pit latrines and achieve ODF status. Nam Saat recently developed an Environmental Code of Practice (ECOP) for the construction of latrines and guidelines for the engagement with ethnic groups, in line with the Bank's OP 4.01 and OP 4.10, respectively. The revised ESMF includes an expanded Environmental Code of Practice (ECOP) to ensure that the construction and management of latrines would be carried out in an environmentally sustainable manner. It is expected that the travel cost and per diem that will be financed from the AF to support the ODF program in 40 villages would amount to about \$50,000.

Component 3: Livelihood and Nutrition Support

²Such TA programs have been provided as the Bank Executed Trust Fund (BETF).

- The AF would finance activities to enhance livelihood and nutrition status of selected PRF beneficiary villages that had been implemented by the PRF under the Livelihood Opportunity and Nutrition Gain (LONG) pilot, financed by the Japan Social Development Fund (JSDF)³. The AF would provide small grants (<\$100 per grant) as well as technical guidance to Self-Help Groups (SHG) and “Village Nutrition Centers” (VNC) in eight districts including four which will be newly supported under the AF, in order to help beneficiaries start livestock production and home gardens, and provide special meals and nutritional education to malnourished infants and pregnant/ lactating mothers. The total number of villages expected to be supported under the AF would be about 100. Livelihood grants are typically used for the production of small livestock (poultry, catfish, etc) the majority of which are consumed by beneficiary community members themselves including VNC members but some of which are also sold to external markets. The Pest Management Policy will continue to be triggered for this activity under the AF as under the original project. Specifically, the livelihood and nutrition enhancement activity will continue to support the following activities:

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

Component 4: Project Management and Implementation Support

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

³The LONG has been part of the original project and the safeguard documents developed for the original project included measures to address potential negative impacts due to LONG.

SECTION III: EXPECTED IMPACT AND EXPERIENCE OF THE ORIGINAL PROJECT

Lessons Learned from PRFII include the following:

- Review of types and sizes of the infrastructure subprojects implemented under the original project and field supervisions suggest that most of the civil works are small, and impacts are minimal. Of total about 1,000 subprojects implemented so far, 105 subprojects (10.5%) involved a minor loss of private land or assets, mostly under road subprojects. All affected people are direct beneficiaries of respective subprojects, and no physical relocation of households or business entities occurred. The total number of affected households amounts to 315, or about 0.3 households per subproject. No household lost more than 5% of the total productive assets. These cases have been successfully addressed as voluntary donations, the process of which used under the project is described in detail in the next section. Under the AF, the quality of community engagement will be further strengthened based on the lessons learnt under the original project, and the documentation of voluntary donation processes will be enhanced.
- Potential benefits versus negative impacts on land or households livelihoods and assets related to infrastructures construction has been discussed, and measures to minimize impact have been developed and agreed within the communities and by affected households. In all cases, affected people directly benefited from the infrastructure construction that caused the loss. No outstanding grievances are registered through the Feedback and Resolution Mechanism (FRM). In order to strengthen the mechanism to address grievances, the RPF would initiate the 6/ 12 months follow up visits to ensure that no outstanding grievances or impacts remain unaddressed.
- Consultation with local authorities is a major step to ensure long term benefit of the infrastructures implemented by the PRF (for instance to ensure that there is no land concession given to the private sector or other major development projects that could affect the benefit of the infrastructures built). This is to ensure long term benefit and sustainability of the PRF subprojects for target beneficiaries.
- The Framework for Resettlement and Acquisition of Land and Assets (FRALA), which was developed under the PRF I and II in order to address the issue of voluntary land donation and which will be described in detail in the next section, needs strengthening. While it adequately addressed about 100 cases of minor land/ asset loss that occurred under the PRF II, there are also needs to (a) improve the reporting and recording system, especially in the area of how the voluntary donation processes were managed and agreements reached, and (b) strengthen coordination among PRF teams (TA Unit, CD, and M&E Unit). Also, training and support to local PRF staff are required for monitoring and reporting on safeguard compliance and issues.
- The Mid-term Review(MTR) conducted in February, 2014 found that overall, the CRPF is well followed through but that documentation and monitoring need to be strengthened. Following the MTR, the PRF developed and started using new forms for monitoring and reporting on social safeguards.A mission conducted in November, 2014 found the new reporting and monitoring procedures are adequately implemented. This reporting system will continue to be applied under the PRFII Additional Financing.
- Activities to support livelihood activities and nutrition enhancement of PRF beneficiaries, supported during the implementation of the original project under the Japan Social Development Fund (JSDF) funded Livelihood Opportunities and Nutrition Gain (LONG) pilot project, did not result in any loss of private land or asset. Livelihood/ nutrition grants provided under the pilot were typically used for the production of small livestock such as poultry and catfish, weaving activities and provision of special meals for pregnant/ lactating

mothers and malnourished infants⁴. Some small structures were built on public space within beneficiary villages as “Village Nutrition Centers” (VNC). The safeguard instruments prepared for the original projects, including the simple Pest Management Plan (PMP), were used to minimize and mitigate environmental and social impacts associated with LONG activities. Recent implementation support mission did not find any outstanding safeguard issues associated with the livelihood/ nutrition activities.

Anticipated impacts under the AF

Since the AF would continue to finance activities of the same types and maintain the same sub-grant ceiling (60,000US), the scale and scope of impact are expected to be similar to those experienced under the original project. No significant or irreversible impact would occur under the AF. Physical relocation of households or businesses is not allowed. For the construction, improvement or rehabilitation of community infrastructure, major land acquisition or asset loss is unlikely to occur, given the small size of investment (on average, \$43,000), although minor loss of land, assets and/ or standing crops may be unavoidable. Physical relocation of household is not allowed for this project. Livelihood/ nutrition activities will unlikely result in any loss of land or assets – construction of new structures or repair of existing structures as Village Nutrition Centers (VNC) will not allowed under the AF. The partnership with Water and Sanitation Program (WSP) will unlikely result in a loss of private land or assets – the AF would facilitate beneficiary villagers build simple pit latrines of their own, if they choose to do so, within their own residential plots. The AF would not finance the cost of building private pit latrines, or build public latrines – the AF would finance only the travel costs of community facilitators and community leaders to receive training in basic sanitation and facilitate behavioral change of community members. Potential environmental impacts would be addressed through the Environmental Code of Practice (ECOP) which the Nam Saat recently developed in line with the Bank’s OP 4.01.

SECTION IV: OBJECTIVE, ELIGIBILITY AND PRINCIPLES OF CRPF

Objective of CRPF is to provide the national, provincial and district government, the PRF team, consultants, village officials, private and public sector agencies and beneficiary community members with adequate guidance for effectively addressing the social issues in line with OP 4.12 Involuntary Resettlement. Specifically, the CRPF aims to achieve the following:

- a. Potential negative environmental and social impacts should be avoided, minimized and mitigated;
- b. Loss in livelihoods associated with or caused by the project should be prevented and, where unavoidable, minimized and fully compensated;
- c. Anyone residing in, gaining income from or having tenure rights over, land that will be affected by sub-projects financed under the project is entitled to compensation at replacement value which is sufficient to improve or at least maintain their pre-Project living standards, income earning capacity and production levels, without regard to their tenure status or ethnic background.

⁴ Also, training in basic financial literacy, accounting, basic nutrition and hygiene, was provided.

- d. Economic and physical displacement should be avoided, minimized and fully mitigated. Physical relocation of households is not allowed under the project;
- e. A social screening will be conducted to identify the level of potential impacts and appropriate mitigation measures.
- f. No one should lose more than 10 percent of the productive assets under the project. Designs will be adjusted or alternative locations will be sought if any household may lose more than 10 percent of the productive assets under the original design.
- g. Environmental and social benefits should be enhanced wherever possible;
- h. Ethnic minorities should be meaningfully consulted and that they receive project benefits in a culturally appropriate manner;
- i. Implementation of subprojects will commence only after compensation is fully paid or voluntary donation processes is fully completed; and
- j. The capacity of the PRF to manage environmental and social impacts should continue to be developed.

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

Vulnerability, Gender, and Ethnicity

PRF II recognizes that certain social groups may be less able to restore their living conditions, livelihoods and income levels and has incorporated these concerns into the preparation and implementation of project activities through an adoption of participatory planning and decision making process. Women in the rural villages play a key role in household economy and community livelihood development. They will be empowered to become active members in community activities and projects and other collective endeavors in support of project implementation and monitoring. The AF will continue to identify any specific needs or concerns that need to be considered for the indigenous peoples groups and other vulnerable groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support. The Gender and Social Inclusion Action Plan has been developed during the original project and updated for use under the AF to promote a full participation of women and ethnic groups. Equal participation of women in the whole cycle of the project activities will increase project sustainability. Active participation of women and ethnic groups will be ensured during the development of appropriate measures to be responsive to specific needs or concerns of these groups such as landless, poor, and households headed by women, disabled, elderly or children without means of support.

The Prohibited Activities

To avoid adverse impacts on local communities that they cannot mitigate by themselves, the following activities are not allowed under the AF as under the original project:

- (i) Use of PRF investment or subproject as an incentive and/or a tool to support and/or implement involuntary resettlement of local people. The Project will not support programs involving village consolidation and/or resettlement that are not consistent with World Bank policies.

- (ii) No new settlement or expansion of existing settlements will be supported in critical habitats, protected areas or areas proposed for protection. Where settlements already exist, proposals for funding should be in compliance with any local regulations on land management and other provisions of the protected area management plan. No road construction or rehabilitation of any kind will be allowed inside critical natural habitats and existing or proposed protected areas. New settlements or expansion of existing settlements inside “Total Protected Zone” as defined in a government decree (see ESMF) are not allowed either.
- (iii) The IDA fund will not fund the cost associated with the acquisition of land or loss of private assets under any conditions. Only the villagers' own resources will be used to provide in-kind compensation.
- (iv) Any activity unacceptable to vulnerable ethnic groups in a village of mixed ethnic composition cannot be funded without prior review. Activities that will have significant adverse impacts on vulnerable ethnic groups in villages and in neighboring villages cannot be funded. The Ethnic Group Policy Framework has been developed to address ethnic group issues.
- (v) Subprojects that will negatively affect more than 200 persons or 20 households, or those that will result in a household losing more than 10 percent of productive assets, are not allowed.
- (vi) Likely creation of adverse impacts on ethnic groups within the village and/or in neighboring villages or unacceptable to ethnic groups living in an ethnic homogenous village or a village of mixed ethnic composition.
- (vii) Imposing ideas and changing priorities identified by the community and endorsed at the kouban level meeting without community consultation, prior review and clearance from the PMT.
- (viii) Damage or loss to cultural property, including sites having archeological (prehistoric), paleontological, historical, religious, cultural and unique natural values.
- (ix) Resources access restriction that could not be mitigated and will result in adverse impacts on the livelihoods of ethnic groups and disadvantage peoples.
- (x) Purchase of guns; chain saws; asbestos, dynamites, destructive hunting and fishing gears and other investments detrimental to the environment.
- (xi) Purchase pesticides, insecticides, herbicides and other dangerous chemicals exceeding the amount required to treat efficiently the infected area. However, if pest invasion occurs, small amount of eligible and registered pesticides in Lao PDR is allowed if accompanied with a training of farmers to ensure its safe uses and World Bank's clearance is needed, following the procedures specified in the Pest Management Plan
- (xii) Forestry operations, including logging, harvesting or processing of timber and non-timber forest products (NTFP); However support to sustainable harvesting and processing of NTFPs are allowed if accompanied with a management plan for the sustainable use of the resources.
- (xiii) Unsustainable exploitation of natural resources.
- (xiv) Introduction of non-native species, unless these are already present in the vicinity or known from similar settings to be non-invasive.

- (xv) Significant conversion or degradation of natural habitat or where the conservation and/or environmental gains do not clearly outweigh any potential losses.
- (xvi) Production or trade in any product or activity deemed illegal under Lao PDR laws or regulations or international conventions and agreements, or subject to international bans
- (xvii) Labor and working conditions involving harmful, exploitative, involuntary or compulsory forms of labor, forced labor⁵, child labor⁶ or significant occupational health and safety issues.
- (xviii) Trade in any products with businesses engaged in exploitative environmental or social behavior.
- (xix) Subprojects that require full EIA.

SECTION V: POLICY, REGULATORY FRAMEWORK

World Bank Policy on Involuntary Resettlement (OP 4.12)

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

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

Government's Policy, Regulations, and Guidelines

In Lao PDR, compensation principles and policy framework for land acquisition and resettlement are governed by several laws, decrees and regulations as follows: (a) The Constitution (1991), (b) the Land Law (2003)⁷, (c) Road Law (1999). (d) Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (No.192/PM, dated 7 July 2005), and (e) Regulations for Implementing Decree of the Prime Minister on Compensation and Resettlement of People Affected by Development Project (No.2432/STEA, dated 11 November 2005) (CAR Decree).

⁵Forced labor means all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty.

⁶Harmful child labor means the employment of children that is economically exploitive, or is likely to be hazardous to, or to interfere with, the child's education, or to be harmful to the child's health, or physical, mental, spiritual, moral, or social development.

⁷The Land Law 04/NA of 21 October 2003 supersedes the earlier Law 01/NA 12 April 1997.

Technical Guidelines of the CAR Decree has been finalized recently and training is being provided to key agencies and provinces. New Instruction on Environmental Impact Assessment (ESIA) and new Instruction on Initial Environmental Examination in December 2013⁸ will provide a comprehensive legal basis for development projects to conduct social assessment and plan/implement mitigation measures as needed. The Public Involvement Guideline approved by the Minister, of the new ministry of Natural Resource and Environment (MONRE) in 2012 also provides legal basis for people affected by development projects and concerned stakeholders to participate in project development and monitoring.

The MONRE through its Department of Environmental and Social Impact Assessment (DESIA) is responsible for ensuring effective implementation of the CAR Decree and ESIA and IEE Instructions in close consultation with other line agencies and the provinces.

Key Differences in Government's Regulations and World Bank Policies

Promulgation of GoL's compensation and resettlement Decree 192/PM represents a significant improvement in the rights of citizens when their livelihoods, possessions and society are affected by development projects. Both the compensation and resettlement decree and World Bank policy on involuntary resettlement entitle the Project Affected Persons (PAPs) to compensation for affected land and non-land assets at replacement cost. However, definition of severely affected PAPs varies between World Bank (OP 4.12) at 10% and the decree 192/PM (Article 8) at 20% of income generating assets affected. The PRF will apply the percentage of 10% set up by World Bank policy (OP 4.12) for the definition of severely affected PAPs.

Another difference is that, both the compensation and resettlement decree (192/PM) and WB policies entitle non-titled PAPs to compensation for affected assets at replacement cost and other assistance so that they are not made worse off due to the development project. Decree 192/PM goes beyond WB's policy and provides PAPs living in rural or remote areas, or PAPs in urban areas who do not have proof of land-use rights and who have no other land in other places, compensation for loss of land-use rights at replacement cost, in addition to compensation for their other assets and other assistance. Should PAPs be found to be non-titled and required to relocate, the development project will ensure they are provided replacement land at no cost to the PAPs, or cash sufficient to purchase replacement land of the same value and productivity.

Implementation arrangement

The Poverty Reduction Fund (PRF) is overall responsible for the implementation of the AF and environmental and social safeguard compliance. Specifically, the Technical Assistance (TA) department with staff from the central down to the district level is directly responsible for the implementation of this ESMF. In each district the TA department has one staff who carries out survey and design, identify environmental and social impacts and develop mitigation measures for about 8 subprojects annually. The district TA department is also responsible to ensure that an appropriate ECOP is attached to the civil works contract and supervise the contractors for compliance. The District TA is also responsible for the implementation of the Compensation and Resettlement Policy Framework (CRPF) in close collaboration with the Community Development (CD) department, and collectively identify and mitigate land/ asset loss as a result of subproject

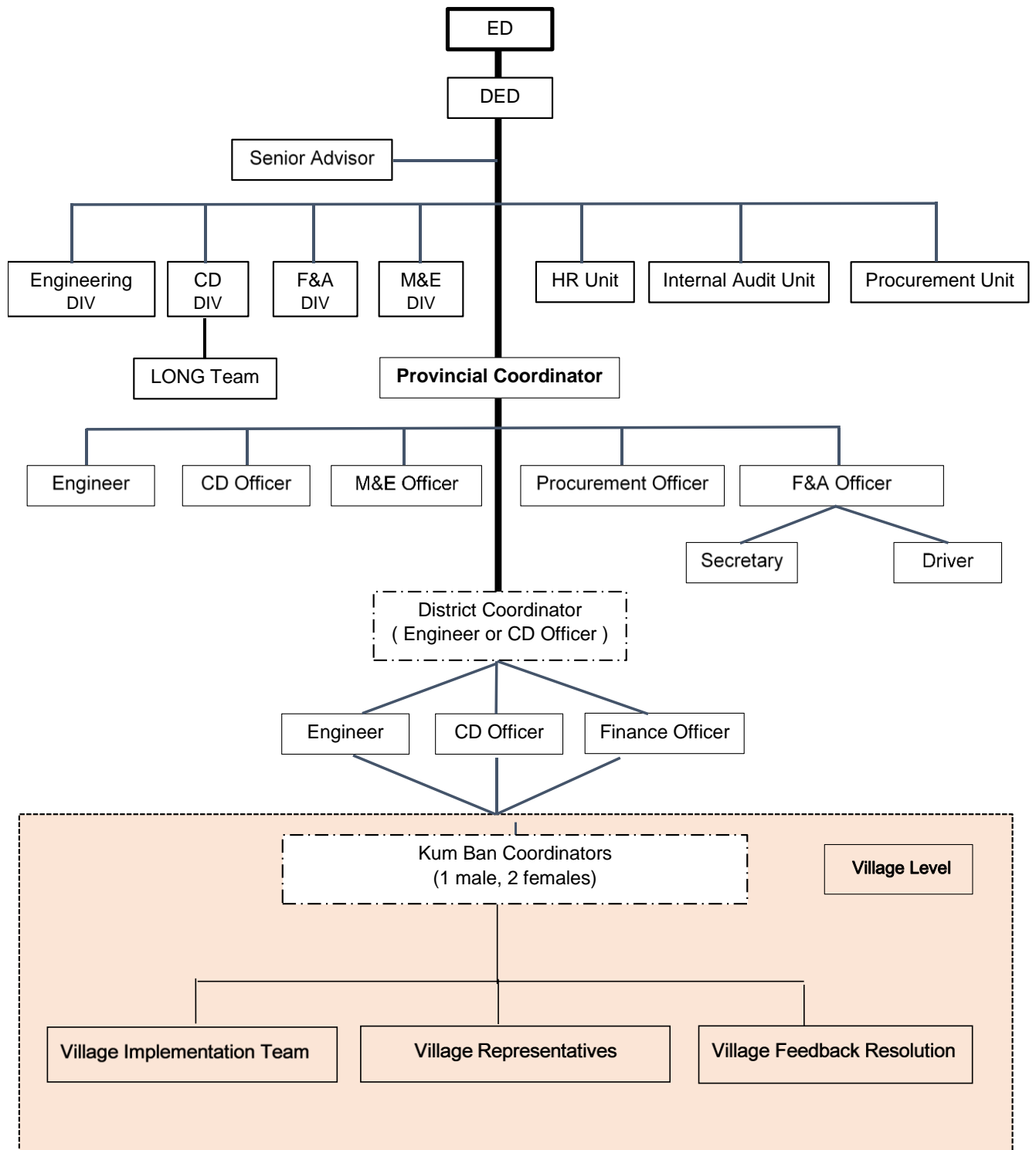
⁸ These two ministerial instructions supersede the earlier EIA Decree, 2010

implementation. The CD department has staff from the central down to the district level and is responsible for managing participatory processes including consultation with and participation of ethnic groups in the project planning and implementation processes. The CD is thus responsible for the implementation of the Ethnic Group Development Framework (EGDF). In case negative impacts are likely to occur, the CD team would collaborate with the TA team and seek to avoid, minimize and mitigate such negative impacts.

At the village level, the Village Implementation Team (VIT) is responsible for overall safeguard compliance on behalf of the beneficiary communities. The VIT consists of village leaders elected by villagers themselves. Decisions with regard to the use of project resources is made at the community-wide meetings. Efforts have been made during the implementation of the original project to increase the participation of ethnic minorities who may not live in the main village settlements in decision making processes by holding separate meetings with them before the village wide meeting is held and a community wide decision is made. The PRF TA and CD staff participate in a community wide meeting where subproject designs, expected environmental and social impacts and mitigation measures including voluntary donations are presented for feedback from community members. Prior to the community wide meeting, PRF TA and CD staff will meet affected households individually and confirm their will to donate assets.

At the koumban level, which is the cluster of villages, koumban Facilitators help facilitate community meetings and mediate between District PRF staff and communities. Their responsibility includes confirmation that voluntary donation processes are completed prior to the commencement of the civil works. They are empowered to report to the district PRF to delay the commencement of civil works if voluntary donation process is not completed as per CRPF.

PRF organizational structure



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

The Framework for Resettlement and Acquisition of Land and Assets (FRALA) was developed and applied to the original project, in order to avoid, minimize or mitigate loss of private land or assets under the project. FRALA will continue to be applied to the AF.

Principles

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

***Voluntary Contributions:** Community members have the right to make a contribution of their land or other assets, or to move their homes temporarily or permanently, without seeking or being given compensation at full replacement value. This can often be justified because the subproject will either increase the value of the remaining property or provide some other direct benefit to the affected people. Voluntary contribution is an act of informed consent. District Facilitators must assure that voluntary contributions are made with the prior knowledge on the part of the person who would donate assets that other options are available, and are obtained without coercion or duress. Also, voluntary donations are allowed only if the affected people are direct beneficiaries of the investments that cause such impact. Proposals including voluntary contributions will not be submitted for approval where they would significantly harm incomes or living standards of individual owners or users (the size of land contributed on a voluntary basis should not exceed 5% of that individual's total land holding).*

Specifically, the following protocol will govern voluntary contributions under the AF.

- Voluntary contributions are an act of informed consent and affected people are not forced to donate land or other assets with coercion or under duress, or misled to believe that they are obliged to do so, without regard to the ethnic background or legal status of their land occupancy.
- Voluntary contributions are allowed only if a sub-project can technically be implemented in another location than where it is planned – if a sub-project is location-specific by nature, land acquisition associated with such a sub-project cannot be considered as voluntary; rather, it is an act of eminent domain. In such cases, a Land Acquisition Report (LAR) will be developed.
- Voluntary donations are allowed only for very minor impacts that meet the following criteria:
 - 1) The households contributing land or other assets are direct beneficiaries of the sub-project;
 - 2) The total size of productive land owned by the affected household is more than 300m²;

- 3) The impact is less than 5 percent of the total productive assets owned by said household; and
 - 4) No one has to be physically relocated.
- The affected people are fully informed that they have the right to refuse to donate land or other private assets, and instead receive compensation at replacement cost, and that a grievance handling mechanism is available to them through which they can express their unwillingness to donate. People are encouraged to use the grievance handling mechanism if they have questions or inquiries, either in writing or verbally. Adequate measures will be in place to protect complainants.
 - The PRF facilitators and engineers will encourage beneficiary communities to identify and provide in-kind assistance to affected households to minimize and/ or mitigate negative impacts. It is to note that such assistance does not need to be sufficient to fully mitigate sub-project impact and that the conditions of voluntary contribution can be considered met, if affected people knowingly agree to donate assets against the in-kind assistance that may be offered to them.
 - The District Community Development (CD) officer, the District PRF Engineer and the VIT will confirm through a face-to-face meeting that the affected people are indeed aware that they are entitled to full compensation at replacement value and knowingly and freely agree to donate land or other assets. The minutes of this meeting, including the confirmation that all conditions for voluntary donations in this CRPF are met, will be attached to the signed voluntary contribution form (see Annex 3).
 - Once the informed consent of the affected people has been confirmed in writing, the VIT together with the District CD officer and District PRF Engineer will develop a voluntary contribution form (see Annex 3). Both the husband and the wife of the affected household will sign two copies of the form in the presence of the District CD officer and the VIT.
 - The District Coordinator will review and approve the signed voluntary donation form, and keep one original signed voluntary donation form for review by the World Bank. The affected household keeps another original signed form.
 - Implementation of sub-projects involving voluntary donations starts only once the District Coordinator has approved the signed voluntary donation forms.
 - 6/ 12 months follow-up visits carried out by the PRF District team and participated by the PRF Provincial Offices will verify the informed agreement of affected people.

Compensation at replacement cost: Based on the experience under the original project, almost all impacts under the AF are expected to be addressed through voluntary donations. Designs can be adjusted and alternative locations be sought so significant impact would not occur under any sub-project. Participatory processes will help ensure affected people will directly benefit from sub-projects, which will be confirmed by the PRF staff and documented in the sub-project proposals.

Since the AF would continue to use the participatory approach and the types and scale of sub-projects as well as their impacts cannot be known until implementation, significant impacts may actually occur and/ or all conditions of voluntary contributions may not be met fully. If in a highly unlikely event that any of the conditions for voluntary contributions

provided under the CRPF cannot be met, the impact is considered as involuntary and will be addressed through compensation at replacement value. In such an event, the PRF should first inform the Bank for guidance. Overall, follow principles will be applied to address involuntary land/ asset loss through compensation at replacement value:

- Land acquisition should be avoided or minimized if unavoidable, and should not result in persons losing their home or suffering any decline in income, livelihood, or living standards. No physical relocation of households is allowed under the AF.
- The VIT and affected households, under the guidance of the PRF district staff and the support of the Bank task team, will jointly assess the scale of impact and identify in-kind compensation that is sufficient to restore pre-project level of income streams.
- In-kind compensation should be provided by beneficiary communities themselves from their own assets. IDA resources cannot be used to finance resettlement cost.
- No one should lose more than 10 percent of their productive assets as a result of subproject implementation. If, based on the survey conducted by the PRF District engineer with the participation of affected people find that more than 10 percent of productive assets would likely be affected, designs should be adjusted and/ or alternative locations be sought so that impact would be reduced to below 10 percent.
- Community infrastructure, if affected by subproject, must be restored or replaced.
- A Land Acquisition Report (LAR) will be prepared by VIT under the support of the district PRF staff and the Bank task team. LAR should address the following, at minimum: (i) the names of affected people, (ii) baseline census and socioeconomic data of affected people; (iii) the inventory of impacts, (iv) mitigation measures including the types and the scale of in-kind compensation, (v) implementation arrangements including participatory processes to ensure participation of affected people in the LAR implementation; (vi) implementation schedule to ensure that in-kind compensation will be provided before civil works start, (vii) processes and procedures to address grievances under feedback resolution mechanisms, and (viii) the estimated cost of compensation. The sample template of LAR is attached to Annex 4.
- Implementation of civil works will commence only after all entitlements are delivered to affected households.
- In the event that any of the above conditions cannot be met, such a sub-project will not be implemented.

Procedures

Social screening: Social impacts will be screened at the beginning of the sub-project preparation using the Screening Form attached to this CRPF (Annex 1a). Impacts that may occur will be recorded in the Form which will be used for the subsequent design of the sub-project to avoid or minimize impacts. The completed Form will be attached to the sub-project proposal.

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

- The name of the affected person (if possible both husband and wife)
- The minutes will contain the signatures of the affected persons and the village chief. There will be notes about complaints made by the affected persons, and a map will show the location of the affected assets.
- The koumban facilitator will deliver a copy of the above notes to all those people who are affected by the subproject, to determine directly their wishes in regards to asset contribution, their perception of whatever agreements had been reached, and their complaints (if any).

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

Preparation of a Land Acquisition Report

For sub-projects that will result in involuntary land or asset loss, a Land Acquisition Report (LAR) will be prepared. LAR will fully address all requirements under OP 4.12 as the Resettlement Action Plan (RAP). The LAR will address the following elements, as relevant:

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

The Project staff will assist the preparation of the LAR, which will be reviewed by the PRF central office as well as by the Bank's task team. No activities requiring a LAR will be approved or implemented before it is approved by the Provincial Steering Committee and the World Bank. Thus, the activities that would require demolition of houses or acquire productive land, permanently or temporary will be carefully reviewed by Project staff. The review process will confirm that no other

satisfactory alternative is available, that affected persons have been informed about their rights to compensation and assures that they have agreed with the arrangements.

The sub-project proposal will also include a description of the persons affected, impacts involved (e.g. land, trees, crops, houses and other structures) and agreements reached (such as nature and amount of compensation).

SECTION VII: FEEDBACK AND RESOLUTION MECHANISM (FRM), INCLUDING GRIEVANCE MECHANISMS

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

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

The project has setup the Feedback and Resolution Committee (FRC) at the village, kumbanh, district and provincial levels, composed of concerned departments, local officials, and village chiefs. PAP representatives, women representatives, mass organizations will also act as grievance officers. All feedback will be properly documented by the FRC at the respective level and addressed through consultations in a transparent manner aimed at resolving matters through consensus. *Table 2* shows the project grievance redress procedure for PRF II AF. More details of the mechanism can be found in the FRC guideline.

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

The complaint, if unsatisfied with the resolution at the village level will be brought up to the district authorities (District Government Office in consultation with concerned line agencies). If resolution is not satisfied the complaint will be lodged with the Provincial Court of Law and whose decision would be final. Although the technical guidelines for resettlement designate this elevating of the complaint to the local mass organizations, non-benefit organizations and complainant representatives, in order to ensure the availability of adequate resources to carry out this procedure, the PMT will be responsible for forwarding the complaint and ensuring its process in the courts.

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

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

Members consisting of at least 50% of women elected to the Feedback and Reporting Committee (FRM) will be trained to perform the social audit. Responsibilities of the social audit committee are as follows:

- Ensure that all Committees and the leaders of the committees function in a just and fair manner.
- Where discrepancies and malpractices are noted, report them to the wider representative meeting of the village.

- Perform an internal audit of all records and accounts of the organisation/VIT and other committees, at least once in 2 months.
- Ensure adherence to PRF principles, rules and concepts such as transparency in the functioning of committees.
- Identify weaknesses and take remedial measures.
- Report remedial actions taken at the general meeting of the village.
- Social audit committee should meet at least once a month and inform issues to the village organisation management.

In this way, the villagers can ensure quality of work, principles and rules followed and demonstrate their capacity to manage resources effectively by ourselves.

Table 2 Feedback and Resolution Mechanism for PRF II

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

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

	implementation Dedicated E-mail and website	Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle. Dedicated E-mail website: 1 day to 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback on a monthly basis.		relevant information and progress
Step 5 – National Level	Toll free hot line Regular PRF meeting at the National level during the project cycle preparation and implementation Dedicated E-mail and website	Hot line accessible 24 hours a day. Response within 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback on a monthly basis. Regular PRF Meeting. Response within 1 day to 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback during PRF meetings all along PRF cycle. Dedicated E-mail website: 1 day to 1 week. Informant/complainant/beneficiaries regularly updated on the progress of their feedback on a monthly basis.	M&E Unit at the PRF Central level	Written Feedback and Resolution form, through the M&E Unit at the central level. Feedback Quarterly submission of the Feedback and Resolution Report to the PMT (M&E Unit) with all relevant information and progress

Monitoring and Information Disclosure

Internal monitoring: The implementation of CRPF will be regularly monitored by the provincial PRF staff and key monitoring indicators such as the number of sub-projects that involve land/ asset loss, the number of affected households, whether or not they are addressed under voluntary donations, and so on, are reported through the Project Management Information System (MIS). The PRF central officer will continue to supervise and monitor the implementation of this CRPF at least one time per year and include the results in the Project annual reports and to be furnished to the World Bank.

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

External monitoring: Performance of safeguard implementation was assessed during the implementation of the original project by an independent consultant. Given the short duration of the

AF period which would last less than one year and half, an additional external monitoring would not be carried out during the AF. Instead, an independent safeguard review will be conducted as part of the preparation of the Implementation Completion Report under the terms of reference that is satisfactory to the World Bank.

Information disclosure: Public Consultation and Information Disclosure (OP. 17.50) defines the Bank's requirements for giving the public access to project information and documentation. It requires that during the planning and preparatory process, project beneficiaries and affected groups and local Civil Society Organizations shall be consulted and the environment and social aspects of the project should be presented. The consultation should be an on-going process throughout the design and implementation of investments and must be compliant with all other applicable safeguard policies. The policy also requires that any relevant material such as the environmental assessment study, social assessments, resettlement action plan (RAP), etc. should be made accessible, in a timely manner and in a form language understandable to the groups being consulted. In line with this policy, safeguard information related to mitigation measures carried out under PRF II AF will be made available for public access in PRF website and on the PRF information board at the community level.

During the preparation of the AF, the revised CRPF was consulted with key stakeholders through the safeguard consultation meetings held in Pakse, Champasak province on March 18, 2015, Oudomxay, Oudomxay province on March 20, 2015 and in Vientiane on March 23, 2015. Participants sought for information about the allocation of PRF sub-grants between villages, methods of impact assessment and impact mitigation, and grievance and conflict resolution mechanism. The relevant department heads of PRF participated in the meetings and addressed the questions and comments received. The minutes of consultation meetings are attached to this CRPF.

Throughout the implementation of this AF, beneficiary/ affected communities will be informed of the overall project approach including the provisions of this EGDP as part of the participatory planning processes.

SECTION VIII: ENTITLEMENT MATRIX

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
Productive Land (paddy, garden, and Teak Plantation)	Legal owner or occupant identified during consultations	<ul style="list-style-type: none"> For marginal loss <10% of land, alternative land within the village, of the similar type, category and productive capacity, free from transaction costs (taxes, administration fees) Voluntary contributions allowed if impacts < 5%, and conditions of voluntary donations are met 	<ul style="list-style-type: none"> No loss of land >10% is allowed
Residential Land	Legal owner or occupant identified during consultations	<ul style="list-style-type: none"> <u>With</u> remaining land sufficient to rebuild houses/structures: (i) in kind compensation at replacement value which is sufficient to restore pre-subproject livelihood (ii) District government to improve remaining residential land at no cost to PAPs (e.g. filling and leveling) so PAPs can move back on remaining plot. <u>Without</u> remaining land sufficient to rebuild houses/structures: not allowed 	<ul style="list-style-type: none"> Acquisition of residential land requiring physical relocation not allowed
Fish Pond	Owner of affected fishpond	<ul style="list-style-type: none"> In-kind compensation at replacement value If the currently held fish stocks will not be harvested before the project takes possession of the fishpond, then in-kind compensation for the projected mature value of fish stock held at replacement value. District government to restore/ repair remaining fishpond. 	<ul style="list-style-type: none"> Adequate time provided for PAPs to harvest fish stocks If remaining fish pond is unviable and/ or cannot meet expected personal or commercial yield, such sub-projects are not allowed
Houses/Shops, and Secondary Structures (kitchen, rice bins)	Owners of affected houses whether or not land is owned	<ul style="list-style-type: none"> In-kind compensation at replacement value that is sufficient to restore the pre-subproject level livelihood 	<ul style="list-style-type: none"> Physical relocation of household or businesses not allowed Affected houses and shops are considered no longer viable if remaining portion is no longer usable/habitable. Such impacts fall under the category of physical relocation and is not allowed under the project
Temporary Use of Land	Legal owner or occupant	<ul style="list-style-type: none"> For agricultural and residential land to be used by the civil works contractor as by-pass routes or for contractor's working space, (i) rent to be agreed between the landowner and the civil works contractor but it should not be less than the unrealized income and revenue that could have been generated from using the property during the period of temporary use of the land; (ii) cash compensation at replacement cost for affected fixed assets (e.g., structures, trees, crops); and (iii) restoration of the temporarily used land within 1 month after closure of the by-pass route or removal of equipment and materials from contractor's working space subject to the conditions agreed between the landowner and the civil works contractor. 	<ul style="list-style-type: none"> The PRF will ensure that the (i) location and alignment of the by-pass route to be proposed by the civil works contractors will have the least adverse social impacts; (ii) that the landowner is adequately informed of his/her rights and entitlements as per the investment project resettlement policy; and (iii) that agreement reached between the landowner and the civil works contractor are carried out.
Crops and Trees	Owner of crops and trees whether or not land is owned	<ul style="list-style-type: none"> If standing annual crops are ripening and cannot be harvested, in-kind compensation at replacement value For perennial crops and trees, in-kind compensation at replacement value. For timber trees, in-kind compensation at replacement value 	<ul style="list-style-type: none"> Schedule of civil works will be adjusted to avoid loss of standing crops. TA and CD team will assist affected HHs and communities assessing and determining the replacement values.

Type of Losses	Entitled Persons	Entitlements	Implementation Issues
Permanent loss of physical cultural resources/public structures/village or collective ownerships	Villagers or village households	<ul style="list-style-type: none"> Relocation to where affected villagers agree; or Compensation at replacement cost for present/existing structures based on its present value. 	If some ritual or ceremonial activities have to be conducted prior or during relocation, the cost will be borne by the beneficiary communities
Graves located in the affected areas	Owners of graves	<ul style="list-style-type: none"> Compensation for the removal, excavation, relocation, reburial and other related costs will be paid in cash to each affected family. 	If some ritual or ceremonial activities have to be conducted prior or during relocation, the cost will be borne by the beneficiary communities
Electricity Poles	Electricity Companies	<ul style="list-style-type: none"> Cash compensation for cost to dismantle, transfer and rebuild 	

SECTION IX: BUDGET

Capacity development for participatory and transparent decision making processes involving ethnic groups, including on minimization of negative impacts on any members of the community, is part of the standard PRF process. As such, the AF would continue to allocate significant resources for such capacity development. The PRF also recognizes environmental sustainability as an important ingredient for sustainable poverty reduction, and will continue to raise awareness of community members on and develop their basic capacity for environmental sustainability under the AF.

As the table attached below shows, the AF would allocate about \$300k for the capacity development of communities on the implementation of project safeguard instruments, which is about 3% of the IDA funding. It is to note that the actual spending on safeguard implementation will be significantly higher. Many PRF activities includes aspects of safeguard implementation or monitoring. For instance, ECOP monitoring is carried out as part of the overall supervision of sub-project implementation. Refresher training of VIT on participatory processes has multiple objectives of which safeguard is just one. The cost of the village validation meeting will cover both safeguard aspects as well as non safeguard aspects. Since safeguard implementation and monitoring are embedded in many project activities, it is difficult to estimate the budget that will be spent under the AF purely and only for the safeguard implementation and compliance.

Safeguard implementation cost under AF	
Refresher training of village implementation team (VIT) on participatory processes including engagement with ethnic groups	\$20,882
Village Validation Meeting	\$71,518
Safeguard training of PRF staff	\$183,593
production of IEC tools on safeguards	\$11,000
total	\$286,993

Annex 1a. Social Screening Checklist Form

Proposed Activity:

Brief Description:

.....

Location:

Filled out by:

Organization:

Date:

Attachments:

Prepared with the following Partner Organizations / Community Representatives:

Remarks:

General Instructions:

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

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

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
conditions of women or the poorest families in the sub-project service area?			
• Other:	<input type="checkbox"/>	<input type="checkbox"/>	

C. OTHER REMARKS:

D. Involuntary Resettlement Category⁹

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

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

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

No anticipated displacement, and loss of assets are negligible

**E. POTENTIAL SOCIAL IMPACTS ON
 VULNERABLE GROUPS, IF ANY:**

⁹ World Bank OP 4.12, Policy on Involuntary Resettlement

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
-----------	----	-----	----------------------------------

WILL THE SUB-PROJECT:

• Affect poverty group? No Yes

• Affect women headed households? No Yes

• Affect Ethnic Groups or Indigenous People? No Yes

• Affect other vulnerable groups? No Yes

F. OTHER REMARKS:

REQUIRED SAFEGUARD DOCUMENTS:

• Land Acquisition/Resettlement Action Plan (LARAP)? No Yes

• Indigenous People’s Dev’t Plan (IPDP)? No Yes

• Land Titles or Documentation? No Yes

• Community Declarations? No Yes

• Other? No Yes

G. OTHER REMARKS:

QUESTIONS	No	Yes	MITIGATION MEASURES REQUIRED?
-----------	----	-----	----------------------------------

H. CONCLUSIONS/RECOMMENDATIONS:

I. SIGNING OFF:

IMPLEMENTING AGENCY:

**PRF SAFEGUARD
COORDINATOR:**

NAME:

.....

POSITION:.....

DATE:

.....

NAME:

.....

POSITION:.....

DATE:

.....

Annex 2. Definitions of Terms

Definitions of key terms are as follows:

Beneficiary - All persons and households from the villages who voluntarily seek to avail of and be part of the project.

Compensation - payment in cash or in kind of the replacement cost of the acquired assets.

Cut-off-date – The date that the Decision on the target beneficiaries and on the land acquisition of the project areas is issued by a competent authority and publicly announced to local target-communities and to affected or displaced persons.

Entitlement – range of measures comprising compensation, income restoration, transfer assistance, income substitution and relocation which are due to affected people, depending on the nature of their losses, to restore their economic and social base.

Household - means all persons living and eating together as a single social unit. The census used this definition and the data generated by the census forms the basis for identifying the household unit.

Income restoration - means re-establishing income sources and livelihoods of PAPs to a minimum of the pre-project level.

Improvements – structures constructed (dwelling unit, fence, waiting sheds, pig pens, utilities, community facilities, stores, warehouses, etc.) and crops/plants planted by the person, household, institution, or organization.

Land Acquisition - the process whereby a person is compelled by a government agency to alienate all or part of the land a person owns or possesses, to the ownership and possession of the government agency, for public purpose in return for a consideration.

Project Affected Persons (PAPs) - includes any person or entity or organization affected by the investment project, who, on account of the involuntary acquisition of assets in support of the implementation of the investment project, would have their (i) standard of living adversely affected; (ii) right, title or interest in all or any part of a house and buildings, land (including residential, commercial, agricultural, plantations, forest and grazing land) water resources, fish ponds, communal fishing grounds, annual or perennial crops and trees, or any other moveable or fixed assets acquired or possessed, in full or in part, permanently or temporarily; and (iii) business, profession, work or source of income and livelihood lost partly or totally, permanently or temporarily.

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

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

Vulnerable Groups - are distinct groups of people who might suffer disproportionately or face the risk of being further marginalized by the effects of resettlement and specifically include: (i) households headed by women, the elderly or disabled, (ii) households living below the poverty threshold, (iii) the landless, and (iv) ethnic groups.

Annex 3 VOLUNTARY CONTRIBUTION FORM

Province:	
District:	
Kumban:	
Village:	
Sub-project ID:	
Name of CD:	

Name of land owner:	ID Number:	Beneficiary of the sub-project: Y/N		
Sex:	Age:	Occupation:		
Address:				
Description of land that will be taken by the sub-project:	Area affected:	Total landholding area:	Ratio of land affected to total land held:	Map code, if available:
Description of annual crops growing on the land now and project impact:				
	Details	Number		
- Trees that will be destroyed				
- Fruit trees				
- Trees used for other economic or household purposes				
- Mature forest trees				
- ...				
Describe any other assets that will be lost or must be moved to implement the project:				
Value of donated assets:				
Will affected people need to be physically relocated?				

By signing or providing thumb-print on this form, the land user or owner agrees to contribute assets to the project. The contribution is voluntary. If the land user or owner does not want to contribute his/ her assets to the project, he or she should refuse to sign or provide thumb print, and ask for compensation instead.

Date:.....

Date:.....

Village Implementation Team
representative's signature

Affected persons signature
(both husband and wife)

Annex 4: Land Acquisition/ Resettlement Report

Sample Table of Contents

- Baseline census and socioeconomic data of affected people
- Detailed inventory of loss (types, scale and scope of impact)
- In-kind compensation to be provided that should be sufficient to restore pre-subproject level livelihood and income stream.
- Policy entitlements related to any additional impacts identified under census or survey
- Implementation schedule
- Detailed cost estimate and source of resources

Annex 5. Reporting Form on Safeguard Compliance Monitoring

Table of Summary on Safeguard Monitoring of PRF Subprojects during Cycle at Implementation Stage (to be completed during monitoring visit and included in quarterly progress and Annual Report)							
District:							
Province:.....							
Completed by:, Cell phone number:....., Office phone Number:.....,							
Email or Fax:.....							
Date:.....							
No	Kumban	Villages	Ethnic group composition	PRFII Subprojects and Brief Technical Details (type, design, size and year of completion)	During subproject implementation, any emerging social impacts found or	What mitigation measure or next steps taken or will be taken to mitigate the impacts found	When the measures was or will be completed
1							
2							
3							
4							
Additional information or comments or suggestions:							
.....							

Table of Summary on Safeguard Monitoring of PRF Subprojects, Cycle Planning and Preparation Stage (to be completed during monitoring visit and included in quarterly progress and Annual Report)													
District:, Province:.....													
Completed by:, Cell phone number:....., Office phone Number:....., Email or Fax:.....													
Date:													
No	Kumbar	Villages	Ethnic group composition	PRFII Subprojects and Brief Technical Details (type, design, size and year of completion)	Did the project consult and establish support the subprojects villagers	Did the project conduct social impact screening using Negative List	If ethnic groups found, do they, especially women have difficulty in communication or cultural barriers	Will PRFII Subproject triggers Land Acquisition?				What measures applied to mitigate the social impacts found	When the measures was or will be completed
								Subproject involving voluntary contributions , if yes CC-Form completed	Subproject involving the voluntary resettlement of more than 100 persons if yes CC-Form completed	Subproject involving the voluntary contribution by at least one individual of more than 10% of their holdings if	Subproject involving displacement of more than 5 households or structures if yes CC-Form completed		
1													
2													
3													
4													
Additional information or comments or suggestions:													
.....													

Minutes of the Consultation Meeting on Social and Environmental Safeguards

March 18, 2014, Pakse, Champasak province
March 20, 2014, Oudomxay, Oudomxay province
March 23, 2014, Vientiane Capital

I. Introduction

Three consultation meetings were held on Social and Environmental Safeguards between March 18 and 23, 2015. The draft safeguard documents were disclosed on March 12, 2015. Invitation to the safeguard consultation meetings was posted at the PRF website and sent out to concerned stakeholders on the same day.

Regional consultation meetings were held in Pakse, Champasak province on March 18, 2015, and in Oudomxay, Oudomxay province on March 20, 2015. Safeguard consultation meeting was also held on March 23, 2015 in Vientiane capital. The consultation meeting held in Pakse was attended by 12 people, while 20 people participated in consultations in Oudomxay and 77 people including representatives of donors and CSOs attended consultations in Vientiane.

II. Discussion session

The consultation meetings started with the presentation by the PRF staff of key principles and procedures provided in (1) Environmental and Social Management Framework (ESMF), (2) Pesticide Management Plan (PMP), (3) Compensation and Resettlement Policy Framework (CRPF), and (4) Ethnic Group Planning Framework (EGPF). The floor was then opened for discussion with all participants who were invited to provide comments. The summary of comments provided is presented as follows:

1. How are the PRF subgrants allocated?

- In accordance with PRF's implementation procedures, budget will be allocated for each target kum ban in reference to the number of population in each kum ban as follows:
 - A kum ban with less than 2,000 people, have a yearly Kum ban budget ceiling of US\$30,000
 - A kum ban with a population between 2,000 – 4,000 people, have a yearly Kum ban budget ceiling of US\$40,000
 - A kum ban with a population of more than 4,000 people will have a yearly kum ban ceiling of US\$50,000. Providing support to individual is not possible due to the CDD basic principles.

2. How does PRF participate in promoting sanitation?

- The AF will cooperate with the Ministry of Public Health (National Center for Water Supply and Environmental Health) with the focus on hygiene and sanitation awareness raising in 3 southern provinces in order to support Defecation Free Villages. Exact target provinces will be identified in cooperation with concerned sectors and donors. PRF will assist Namsaath to promote the construction of latrine by communities themselves. To do this, Head of villages, village coordinators will

participate in the training on construction of latrine at district level. The emphasis will be on those from villages who received water related sub projects from PRF since latrines will not be feasible if water is not accessible.

3. **How will sub-project Impact be assessed?** For example: as mentioned during the presentation, road sub project with 3.5 meters wide and 10 kilometers long will be assessed. However, if there is a case where smaller road does have impact on communities, will there be an assessment or what procedures will be taken?
 - Size of road does not necessary connect to environment issues. At the same time, it can also be link to social issues. For any construction that impact households or communities, there will be an assessment no matter how small or large the sub project is. It was also agreed that for community request for road of more than 4 kilometers, the PRF will only support road improvement.
4. **For the use of pesticides, do PRF have guideline or not. If yes what policy is recommended for community?** For such work, if you have to use pesticides how the PRF advised and manages using?
 - We have a Pest Management Plan with all the advise related to use of pesticides, but it is currently use for the LONG pilot project, not much on the PRF side.
5. **Does PRF have Feedback and Conflict Resolution Mechanism (FRM) at provincial level? For such kind of work if yes what unite does PRF is cooperate with?**
 - Regarding the FRM at provincial level PRF have the FRM provincial committee, but the project focuses mainly at the district level through the FRM District Committee, as most of the activities are facilitated by a PRF team based at the district level. In the future, PRF plans to establish a team which will be called “Appraisal team” who will responsible for internal audit and at the same time will also help to solve problems in case of conflict or if any others problem arises.
6. **Will PRF support activities that aim to develop a decree or a policy?**
 - PRF mainly support new construction/rehabilitation of community infrastructure to improve access to basic services at local level. Support to developing a decree and others policies is not included in our Operation manual. However, in the end of March 2015 we will have meeting with our Government partners and others concerning partners as we think it can be a good opportunity to propose such activities for consideration and cooperation with related project’s partners.
7. **Fish Conservation Areas- Regarding the establishment of Fish Conservation Areas of PRF, do you need to report to the concerning international organization or not?**
 - Fish Conservation Areas are not eligible for funding under the PRF, but following on the community needs and willingness, the PRF can provide information to the community for the establishment of Fish Conservation Areas. Hence, the purpose of establishing Fish Conservation Areas is to save fish breeders. If fish conservation implies to build a weir, then we need to report to the riparian countries as it may impact the Melong tributaries. This is a new safeguards policy that we need to apply.
8. **Is PRF having mechanism to coordinate with DDF to make sure that the activities of PRF and DDF are not overlapping?**
 - PRF supports access to basic services at village level while DDF is focusing more at the district level. Therefore, the implementation is not overlapping. Regarding other work, the concerned line Ministries are responsible for implementation.

9. For the compensation to the families who have impacted by the project, in the negotiations process, do PRF invites community representatives to participate to avoid willingness for contribution or not?

- Before the construction of any infrastructures, a Consultation meeting has to be organized at village level. If there are any sub-projects that involve compensation, we ask community to organize a special meeting. The objectives of the meeting is to solve those problem in a participatory manner. We have forms to record the agreement by referring to participatory consultation from community. If any problem or conflict, we have to continue to solve the problems until the person who have been impacted agreed upon.

10. In terms of reforestations of traditional trees, we would like to know if it is possible that the PRF includes these type of activities as the project staff going regularly to visit villages?

- The PRF will be happy to support your proposal. At the same time, we would suggest to cooperate with the Department of Forestry to establish a pilot project, but Department of Forestry should provide young trees to the PRF. Then PRF can mobilizes community for participating in planting and take care of growing trees.

ກອງທຶນຫຼຸດຜ່ອນຄວາມທຸກຍາກ

POVERTY REDUCTION FUND (PRF)

www.prflaos.org | info@prflaos.org



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Swiss Agency for Development
and Cooperation SDC

