



**Lao people's Democratic Republic
Peace Independence Democracy Unity Prosperity**

Prime Minister's Office
Science Technology and Environment Agency (STEA)

No 2432 /STEA
Vientiane, 11 November 2005

**Regulations for
Implementing Decree 192/PM on
Compensation and Resettlement of People Affected by Development Projects**

- Pursuant to the Decree on Compensation and Resettlement of People Affected 192/PM issued by the Prime Minister of the Lao Peoples Democratic Republic dated 7 July 2005

- Pursuant to the Decree on the establishment and functioning of the Science Technology and Environment Agency, No 68/PM, dated 21 May 1999.

**PART I
General Principles**

Article 1 Objective of the Regulations

The objective of the Regulations is to implement Decree on Compensation and Resettlement No 192/PM, dated 7 July 2005 and to strictly and properly comply with the Technical Guidelines for Compensation and Resettlement issued in November 2005.

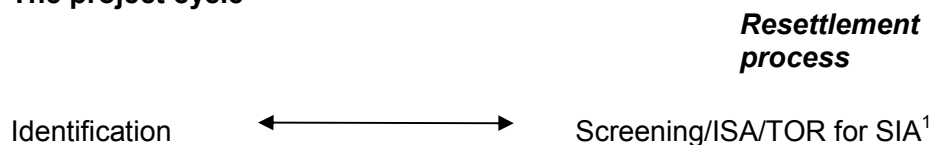
Article 2 Principles of Compensation

The project owner must strictly and properly comply with the provisions determined in the Decree on Compensation and Resettlement and the Technical Guidelines on Compensation and Resettlement.

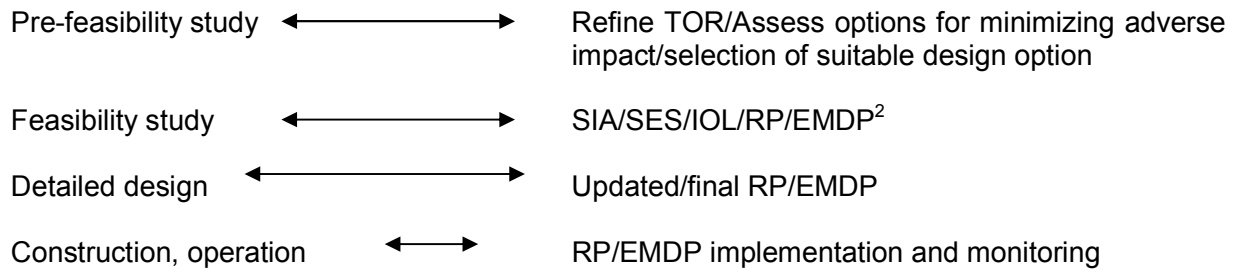
**PART II
Resettlement in the Project Cycle**

Article 3 The Project Owner shall undertake resettlement planning and implementation in accordance with the project cycle as follows:

The project cycle



¹ ISA = Initial Social Assessment
TOR = Terms of Reference
SIA = Social Impact Assessment



To implement each step of the project cycle and resettlement process, the project owner will properly and strictly comply with the provisions determined in the Technical Guidelines on Compensation and Resettlement.

Part III Resettlement Planning, Documentation and Reporting

. Resettlement Planning and Documentation.

Article 4 Project Owner will undertake resettlement planning to facilitate the resettlement process defined in Article 3 of these Regulations, in accordance with Article 15 of the Decree on Compensation and Resettlement and the Technical Guidelines on Compensation and Resettlement. The Project Owner will prepare the reports in accordance with the provision of article 5 to article 9 as below.

Article 5 Initial Social Assessment

During project identification, Project Owners will carry out Initial Social Assessment (ISA) to identify relevant social issues and the types of groups of people likely to be affected by a project. The information for ISA will be collected through field visits to selected areas and dialogues with the key stakeholders that would provide the basis for assessment of the types of information and depth of analysis required and documentation necessary for project processing, professional inputs and the skills required, and for preparation of necessary terms of reference (TORs) for more detailed studies during the project preparation stage. ISA should be carried out using a public consultation and participatory process.

Article 6 The types of information required would, among others, include:

- . Potential loss of private and communal assets;**
- . Potential loss of incomes, employment and businesses;**
- . Any potential risk of displacement;**
- . Potential impacts on vulnerable groups;**
- . Institutional and legal framework that may present constraints to mitigating social impacts; and**
- . Existing major community and social organizations.**

² SES = Socio-Economic Survey
IOL = Inventory of Losses
EMDP = Ethnic Minority Development Plan

Article 7 Preparation and Review of Terms of Reference (TOR)

Based on the census and inventory of loss (IOL) data, the types of reports to be prepared - Social Assessment, Land Acquisition and Compensation Report, Resettlement Plans, and Ethnic Minority Development Plans ((EMDP) - will be determined and the TORs for the preparation of the reports will be prepared by the project owner. The project authorities will clear the TORs and will authorize the budget for the simultaneous preparation of the aforementioned reports.

Article 8 Following the screening, the project owner will conduct necessary field studies and other background investigations as recommended by the screening. Prior to undertaking the survey the project owner should implement a public information campaign to describe the project components, types of impacts, content and schedule for the census and inventory or other background surveys.

Article 9 Social Assessment

1. In projects with likely indirect social impacts as identified by ISA, project owners will conduct Social Assessment (SA) of the project using a participatory process as described in the Technical Guidelines and covering the following major areas:

- Identification of potential social issues;
- Stakeholder analysis; and
- Institutional Analysis

2. SA is an umbrella or overarching framework that embodies all human impacts including aesthetic, archaeological and cultural heritage impacts, demographic and community impacts, development and economic impacts, gender assessment, health impacts, ethnic minority groups' rights, institutional and political impacts, poverty assessment, resource issues (access and ownership of resources), and other impacts on societies.

3. Project owners will prepare a Social Assessment report, incorporating a Social Action Plan to mitigate identified social impacts and enhance identified positive impacts, and submit the same to appropriate line ministries and STEA for review and approval.

Article 10 Documentation

Where in a project, ISA and screening identify direct impacts in terms of loss of private and communal assets and incomes and businesses due to acquisition of assets and change in land use or restriction of access to community resources, depending upon the degree and scale of impacts, appropriate resettlement documents: a Resettlement Plan (RP) or Land Acquisition and Compensation Report, will be prepared. The resettlement planning documents will be prepared following three basic principles:

- Enhance the quality of life for project affected people
- To the extent possible, prevent or minimize adverse social impacts
- Mitigate possible adverse social impacts

While adhering to the above principles, the resettlement planning documents will incorporate all resettlement and rehabilitation measures necessary to ensure compensation for assets acquired at replacement cost, and restoration or enhancement of livelihood for all project Affected Persons (APs).

Article 11 Land Acquisition and Compensation Report

In case the impacts of the project are mostly marginal such that less than 200 persons (about 40-50 families) are affected by the project either marginally or with limited displacement, project owner will prepare a Land Acquisition and Compensation Report for each project, sub-project, or component during the feasibility study phase of project preparation and submit to appropriate line ministry and STEA for review and approval. The Land Acquisition and Compensation Report must be prepared based on census, inventory of lost assets, and consultation with affected persons. The Land Acquisition and Compensation Report shall be finalized after detailed design to include full census, final asset inventory and valuation, and final budget.

Article 12 Resettlement Plan

1. In case the impacts of the project are severe such that more than 200 people (40-50 families) are displaced or severely affected due to the loss of productive assets, incomes, employment or businesses, by the Project, its component or sub-project, project owner will prepare a detailed Resettlement Plan for each component or sub-project for each project, sub-project, or component during the feasibility stage of the project. The resettlement plan must be prepared based on census, inventory of lost assets, socio-economic survey, and consultation with affected persons. The Resettlement Plan will be finalized after detailed design to include full census, final asset inventory and valuation, and final budget. The Resettlement Plan shall strictly comply with the Technical Guidelines.

2. Resettlement implementation activities will begin only after the Resettlement Plan is found acceptable and approved by STEA.

3. Resettlement transition period will be minimized and the acquisition of assets, compensation, resettlement and rehabilitation activities for a segment/section or phase (except where long-term rehabilitation measures such as vocational training recommended) will be completed at least one month prior to the initiation of construction work under the respective segment/section or phase thereof.

Article 13 Information Required and RP Outline

A general list of information required for preparation of land acquisition and compensation reports and RPs and a generic outline of RPs are shown in the Technical Guidelines.

In undertaking RP preparation exercise, the project owner or consultants are expected to follow a series of steps leading to the preparation of acceptable RPs:

- review the legal framework in the Lao PDR;
- review the detailed project design and the results and recommendations of ISA;
- in conjunction with project owner, facilitate discussions with the local government officials in affected provinces/districts in order to agree on the RP approach; the local authorities will have to take an active role in the RP planning and implementation processes;

- undertake a census³ of all APs (with 100% coverage), inventory of affected assets, and a sample socio-economic survey⁴ of the project area and the proposed resettlement site(s), where necessary to resettle displaced persons, to establish a baseline of APs and the host population; for smaller sub-projects and depending on the availability of resources, the census, inventory of affected assets, and socio-economic survey may be combined into one field operation;
- hold consultations with stakeholders (including APs) to obtain their inputs for RP design and to enhance ownership, facilitate approval process, and ensure ease of implementation;
- analyze data to identify different categories of APs depending upon the degree and scale of impacts of the project components;
- hold consultations with the key stakeholders to design compensation package (including compensation for all types of affected assets, rehabilitation measures and other assistance) for each category of APs;
- formulate procedures for assessment of compensation for each type of affected assets;
- formulate time bound schedule for the implementation of RP;
- formulate procedures for grievance redress;
- determine monitoring procedures during and post-project period and identify a competent external monitoring agency for external monitoring and prepare a TOR for the same;
- prepare detailed cost estimates for implementation of RPs including the costs for administrative overheads;

Where a project is likely to adversely affect households belonging to poverty and other vulnerable groups, the resettlement plans should specify measures⁵, additional to the compensation entitlements, aimed to improve status of the poor to bring them up to an acceptable level above the poverty line.

³ The census should provide details of land and assets owned or held, and the precise amounts of assets to be acquired on a temporary or permanent basis from every affected household for the project, as well as data on the social and economic status and occupations of all APs.

⁴ The socio-economic survey should provide data on the existing social structure, tenurial arrangements and resource use, access to social services and infrastructure facilities by different social groups in the project area, and for the host population at the proposed resettlement site(s), clearly identifying all special interest groups, particularly those who are poor and vulnerable (e.g. tenants, landless laborers, women), and describing their special characteristics in relation to the project; the survey should also describe the expected impacts of the project - access to benefits, infrastructure and social services, and adverse impacts - on different social groups.

⁵ The measures should focus to avoid potential social risks and should be organized around the themes that include: a) reducing barriers to access to markets, trading and employment opportunities; b) improving access to and delivery of essential social services to the poor; c) empowerment through good governance, sound participatory processes and effective organization of the poor; and d) reducing vulnerability to poverty through building social assets i.e. asset building strategies such as land-for-land, replacement housing, and increased security of tenure. Non-land based strategies may include placing greater emphasis on the customary rights and cultural practices of indigenous people and ethnic minorities; provision of improved or better access to micro-finance and affordable micro-credit facilities; providing appropriate training in new jobs; and improving access to markets and employment opportunities. Interventions should be designed with greater participation by, and consultation with, the poor to ensure that their needs, priorities and preferences are fully addressed, and in a transparent manner with full involvement of civil society and stakeholders. Selection of final strategy (ies) should be based on informed choices of affected people.

Article 14 Census & Socio-economic Surveys

Project proponents will conduct field surveys to collect following information for preparation of necessary documents and reports.

1. Census

The census will include registration and collection of information on household structure and general age & gender characteristics for the APs affected by direct adverse physical and economic impacts.

2. Inventory of Affected Assets

Detailed inventory of affected assets will cover information on affected assets disaggregated by type and class; loss of other structures and fixed assets; loss of incomes, employment and businesses; tenure status of APs; loss of affected community facilities and utilities; and loss of cultural and community assets;

3. Socio-economic Baseline Survey

Project proponents will collect appropriate socio-economic baseline data for all severely affected households for use of the information for post-evaluation study after the completion of resettlement implementation. The socio-economic baseline data for selected sample of severely affected households will focus on existing households incomes, types of primary and secondary occupations, existing skills and educational levels of household members, incomes and expenditure patterns, savings, assets and debts.

Article 15 Addressing Gender in Data Collection

Collecting gender-disaggregated data is the first and most crucial step for ensuring that the needs and concerns of women are addressed in the resettlement plan. Key issues, questions and strategies for addressing gender in data collection are presented in the Technical Guidelines.

It is important to collect data on female-headed households, and on elderly and single women. Consideration should be given to using female investigators. If not possible, then investigators should be gender sensitive and trained to collect data from women.

Article 16 Cut-off Date

Project proponents will take necessary steps to inform all the APs affected by the development projects the commencement of census as the cut-off date for purposes entitlements to compensation and other assistance in accordance with the Decree.

Article 17 Ethnic Minorities Development Plan

1. Where in a project the affected persons include any ethnic minority groups, Project Owner will collect the necessary information during the field investigations and if the impacts will be due to land acquisition only, include a separate section in the resettlement plan to address ethnic minority issues and mitigation measures.

2. Where the project will likely have significant positive or negative impacts on ethnic minorities, beyond land acquisition impacts, the project owner will prepare an Ethnic Minority Development

Plan (EMDP) during the feasibility study phase of project preparation. The EMDP will be prepared in strict compliance with the Technical Guidelines.

3. The proposed resettlement measures, types of development assistance, community participation and consultation framework, and grievance redress mechanism will be developed in consultation with tribal elders, community groups, mass organizations, non-benefit organization and other relevant organizations.

4. Where an EMDP is necessary, the project owner will be required to submit it to the relevant ministry (in case of private sector developer) and to the regulatory agency for review and approval.

Article 18 The information required for preparation of EMDP will include the following:

- The basic census, socio-economic data and inventory of affected assets;
- household ownership of economic and productive assets
- annual income from primary and secondary employment opportunities
- economic information of community (e.g., brief information on economic and natural resources, production and livelihood systems, tenure systems)
- social information of community (e.g., brief description of kinship, value system; types of social organizations of formal/informal groups, farming groups, etc., especially those that can help group in adjusting to potential impacts from the project)
- potential impact of sub-project on basic social services (e.g., water supply, health clinics, and schools)
- potential impact of sub-project on the social and economic livelihood

Information should be gathered from group meetings, one with a general assembly of affected ethnic minority groups in the area and one with indigenous women, especially those who live along the zone of influence of the project area. Discussions should focus on the project objectives, potential positive and negative impacts, and recommendations for project design. If the SA indicates that the potential impact of the proposed sub-project will be significantly adverse and that the ethnic minority community rejects the project, the project authorities should consider redesigning or reformulating the project.

B. Reporting:

Article 19: The project owner will submit the resettlement planning documents in accordance with Article 15 of the Decree on Compensation and Resettlement as follows:

- When the project is a government financed project, the project owner shall present the document to the Science Technology and Environment Agency (STEA) for review and approval. In this.
- When the project is domestic or foreign privately owned or joint venture between the government and private sector, the document shall be sent to relevant line ministries, local authorities and finally to STEA for review and approval. In this, STEA will be the final approving agency.

PART IV
Eligibility and Entitlements
for Compensation, Resettlement and Rehabilitation Assistance

Article 20 In terms of Eligibility and Entitlements for Compensation, Resettlement and Rehabilitation Assistance, the project owner will properly and strictly comply with the provisions determined in Articles 3, 5, 6, 7, 8, and 9 of Decree on Compensation and Resettlement and the Technical Guidelines on Compensation and Resettlement.

Article 21 Eligibility

1. All persons or persons, household (sometimes referred to as project affected family), a firm, or a private or public institution who as of the cut-off-date reside in, utilize land in or otherwise derive livelihood from land within the project impacted area boundaries or those affected by loss of land, structures or other assets, permanently or temporarily due to the project, will be considered as Affected persons (APs) and will be eligible for compensation and other assistance in accordance with the Decree on Compensation and Resettlement and the Technical Guidelines, irrespective of the status of tenure or occupancy rights over impacted land or assets.

2. APs previously deriving income from the exploitation of natural resources such as by hunting, gathering forest products, fishing etc. are also eligible for compensation in the form of cash or support for the establishment of new means of livelihood modalities aimed at improvement of household incomes and livelihood, or at least restoration to pre-project levels.

3. APs whose land or incomes are temporarily affected by Project activities are eligible for compensation for the opportunity cost of the loss for the duration of the period of impairment. Any damage incurred to land, properties or structures shall be made good by the Project.

Article 22 Compensation for Impacted Fixed Assets

Entitlements for compensation and rehabilitation assistance to different categories of APs will be as follows:

1 APs losing Agricultural Land

- The general mechanism for compensation of lost agricultural land will be through provision of "land for land" arrangements of equivalent productivity and at location acceptable to the AP where significantly large or entire land holding is affected by the project. In case suitable land is not available, and at informed request of the AP, cash compensation at current market value will be provided. However, when the portion of the land to be lost represents 20% or less of the total area of the landholding with remaining area viable for continued use, cash compensation at full replacement value for the affected portion, will be provided to the AP. In cases where only part of the land holding is affected but the remaining land becomes economically unviable, the AP will be entitled to surrender the entire holding and to compensation for entire holding at full replacement value, or land-for-land option.
- The replacement agricultural land will be provided to the AP with full security of tenure, free of any tax, transfer costs, registration fee or charges.

- APs whose land is temporarily taken by the works under the Project will be compensated at replacement cost for their net loss of income, damaged assets, crops and trees, as the case may be.
- All relocating APs would be entitled to transportation allowance.

2 APs losing Residential or Commercial Land

- The general mechanism for compensation of lost residential land will be through provision of "land for land" arrangements of equal size and at location acceptable to the AP where significantly large or entire landholding is affected by the project. In case, suitable land is not available and at informed choice of AP, cash compensation at current market value will be provided. Where the portion of the land to be lost represents 20% or less of the total area of the land holding with remaining area viable for continued use, cash compensation at full replacement value for only the affected portion of the holding will be provided to the AP. However, where only part of the land holding affected but the remaining land becomes either unviable or in area less than the minimum required under the prevailing standards, the AP will be entitled to surrender the entire holding and to compensation for entire holding at full replacement value, or land-for-land option.
- The replacement land for resettlement will be provided in fixed plot sizes according to the prevailing standards and planning practices. However, if the lost land of AP is in size larger than the plot sizes for relocation, a cash compensation to cover the difference of the area will be given to the AP.
- The replacement land will be provided to the AP with security of tenure, free of any tax, transfer costs, registration fee or charges at the time of transfer.
- APs whose land is temporarily taken by the civil works under the Project, will be compensated at replacement cost for their net loss of income and damaged assets, as the case may be.
- All APs affected by the loss of commercial land and premises will also be entitled to transport allowance.

3 APs losing Houses/Structures

- The mechanism for compensating loss of residential and other structures will be cash compensation reflecting full replacement cost of the structures, without depreciation or deduction for salvaged building material.
- If the house or structure is only partially being affected by the Project and the remaining part is viable for continued use, the AP will be entitled to cash compensation for the affected portion of the structure and assistance in the restoration of the remaining structure for its continued use. However, if the remaining structure is rendered unviable or in area less than the minimum house size under the prevailing standards, the AP will be entitled to surrender the entire structure and to compensation for the entire structure at full replacement cost without depreciation or deductions for salvaged material.
- Tenants, who have leased a house / structures for residential or other purposes and affected by the project, will be provided with a cash assistance equivalent to three months

rental allowance, and to cover other losses, such as deposits, and will be assisted in identifying alternative rental accommodation.

4 APs losing business

- The mechanism for compensating loss of business will be: (i) the provision of alternative business site of equal size and location with good accessibility to customers and satisfactory to the AP, or cash compensation at full replacement value, if suitable replacement land is not available; (ii) cash compensation for lost business structure reflecting full replacement cost of the structures, without depreciation or deductions for salvaged building material; and (iii) cash compensation for the loss of income during the transition period.
- APs whose business premises are affected by the project and are required to be relocated either because the entire premises and/or structures are affected or the remaining premises and/or structures are rendered un-useable, if they so desire, will be given alternate business premises of minimum size acceptable under the prevailing standards. However, if the existing affected business premises are larger in area than the minimum plot provided at relocation site, a cash compensation to cover the difference in the area will be paid to the APs.

5 Impacts by Projects on community facilities (e.g. irrigation water supplies, drainage networks, village or farm access, spiritual or religious land or edifices, schools, meeting rooms, market places) shall be made good by the Project leaving such facilities in condition better than before.

6 Assessment of compensation for affected fruit/nut trees shall be based on average annual value of the produce multiplied by the number of remaining productive years. Compensation for annual crops shall be based on the locally prevailing market prices for the produce. For standing timber trees, the Project shall re-establish a plantation at a new site, where applicable, and provide additional compensation to cover the cost of weeding and other plantation maintenance activities.

7 Compensation for Lost / Impaired Economic Opportunity

- APs whose livelihood is based on the service sector or in hunting, gathering or otherwise exploiting natural resources shall receive compensation in cash to the value of economic opportunity lost due to project intervention together with cash, materials, and training support for economic restoration in alternative sustainable livelihoods at levels better than or at least equivalent to the pre-Project situation.
- The Project Owner shall accord to APs priority for wage labour employment in Project activities at locally pertaining equitable wage rates.

8 APs who elect to self-relocate will receive full compensation at replacement cost in cash for their lost assets plus additional allowances for transportation and for reestablishment at their chosen relocation site.

9 Subsistence Allowance:

All relocating APs shall receive adequate subsistence allowance in food rations or their cash equivalent during the transition period until the full restoration of livelihood in line with the targets set forth in the RP.

10 Relocation of Religious/Ceremonial Premises and Structures

All affected community and religious assets shall be re-established or rebuilt at alternative sites and the full cost of construction, transportation and the culturally compatible ceremonials involved shall be borne by the Project.

Article 23 Resettlement Site Development

1 Resettlement sites; residential, farmland or commercial; as the case may be, should be located as near as possible to previous locations with comparable environmental and geographical features better than, or at least equivalent to the affected land.

2 Selected Relocation sites must have adequate opportunities for business and income generation activities to enable APs achieve sustainable livelihoods.

3 Resettlement areas must be located on sites free from any environment risks or natural disaster and laid out in accordance with local prevailing planning standards with convenient access to: community facilities (schools, clinics, religious sites etc) and services (water supply, drainage, electricity, telecommunications as applicable); should be fully developed prior to displacement of APs from their existing locations.

4 Agricultural resettlement areas must provide homestead plots of sufficient size to include appropriate spaces for storage of agricultural products and keeping of livestock, and for kitchen gardens.

5 Relocation of APs affected by loss of community resources such as forests should ensure continued access to forest resources, grazing/pasture land and community forests.

6 Location of resettlement sites must be selected in consultation with APs and it should be acceptable to them.

Article 24 Resettlement Site Survey and Design

1 Selection of resettlement sites for agricultural purposes must be based on detailed field investigations taking into account land capability characteristics that ensure sustainable agriculture production.

2 Cost of resettlement site development including the cost of land survey and field investigations, land development, cost of community facilities and infrastructure, access and local distribution roads, etc. should be included in the resettlement cost and shown in the RP.

3 All APs relocated to resettlement sites must be provided with secured tenure and Land Use Right Certificates. All costs incurred in surveys, titling, registration and allocation of Land Use Right Certificates must be borne by the project

PART V **Public Participation, Consultation and Disclosure**

Article 25 The Project Owner shall properly and strictly undertake public consultation, participation and disclosure in accordance with the provisions determined in article 12 of Decree on Compensation and Resettlement and the Technical Guidelines on Compensation and Resettlement.

Article 26 The Project Owner shall inform all key stakeholders, including women and identified vulnerable groups, of the project objectives, scope, likely impacts, schedules, and compensation, resettlement and rehabilitation options. Information about the project shall also be provided through public meetings held at commune, village or hamlet level and focus group discussions. The Project Owner shall encourage the participation of mass organizations, non-benefit organizations and other relevant agencies during the public meetings and focus group discussions.

Article 27 The Project Owner shall document details of all public meetings held with all stakeholders with dates, location and the information provided and the major emerging issues. Where public announcements are made, the details, together with a copy of the text of the announcements, shall be included in the documents.

Article 28 APs should be kept informed of progress of resettlement activities and targets for completion of key activities through using mass media and where possible, through establishment of Public Information Centres at convenient locations.

Article 29 The draft Resettlement Plan or Land Acquisition and Compensation Report shall be disclosed to Project Affected Persons in a form and manner they can understand and in an easily accessible place. Project Affected Persons shall be given an opportunity to comment on the draft Resettlement Plan or Land Acquisition and Compensation Report before it is finalized. The final detailed Resettlement Plan or Land Acquisition and Compensation Report will also be disclosed to Project Affected Persons and in provincial and district offices.

Article 30 For projects that will involve any ethnic minority groups, the Project Owner shall ensure that the strategy for addressing the issues is formulated through participatory process and that ethnic minority groups participate in decision-making throughout project planning, implementation, monitoring and evaluation. Further, the Project Owner shall ensure meaningful consultation and participation following the steps that will include: a) information dissemination will be in the local language; b) a tribal representative/leader and relevant agency representative or a social scientist knowledgeable in the ethnic minority group's history and tradition will always be present in all discussions with clusters of ethnic groups; and c) all meetings will be properly documented and shared with the concerned ethnic minority groups.

Part VI Grievance Resolution

Article 31 The Project Owner shall properly and strictly undertake grievance resolution in accordance with the provisions determined in article 13 of Decree on Compensation and Resettlement and the Technical Guidelines on Compensation and Resettlement.

1 Project proponents will handle all grievances related to any aspect of the project or sub-project through consultations conducted in a transparent manner and aimed at resolving matters through

consensus at the project level to pre-empt all disagreements being referred to the district level GRCs or higher level and ultimately to the court of law.

2 The Project Owners will document all complaints received in writing (or written when received verbally) from the APs.

3 Upon approval of the project by the GoL PDR, the project owners will make a formal request to the GoL to establish Grievance Redress Committee (GRC) in each district covered by the project to address any complaints and grievances pertaining to land acquisition, compensation and resettlement that are brought forward by APs.

4 A Grievance Resolution Committee (GRC) shall be comprised of: 1) A local government representative; 2) village head(s); 3) representatives of the affected households, other than the village heads; 4) Village elders or local level representatives of mass organization or other relevant agencies; and 5) Project proponent representatives.

5 Grievance Redress Procedure will comprise of the following:

- Project Owner will make every effort to find an amicable settlement to the complaints or grievances brought up by APs at the project level. If the APs are not satisfied with the decision of the project authorities within 15 days from the filing of the complaint, the AP will submit the complaint to the district level GRC.
- If the APs do not receive any response from the GRC within 15 days of filing the complaint, or if the matter is not resolved to the satisfaction of the AP, the complaint may then be submitted to the head office of the project proponents and STEA.
- If the matter still remains unresolved within 20 days of filing the complaint to the project proponent and STEA, the complainant may then forward his/her case to the Court of Law.

6 Project will cover all administrative and legal costs incurred in pursuant to the grievance redress procedures.

Part VII Monitoring and Evaluation

Article 32 The Project Owner shall properly and strictly undertake monitoring activities in accordance with the provisions determined in article 16 of Decree on Compensation and Resettlement and chapter 13 and other relevant chapters in the Technical Guidelines on Compensation and Resettlement.

1 Project proponents will make necessary arrangements for continuous monitoring and supervision of resettlement implementation in their project. The monitoring activities will:

- Follow-up the progress of works at each step of the resettlement and compensation process with regard to compliance with the provisions of the Resettlement Decree.
- Monitor the delivery of budget from headquarters to field units in terms of timely availability of funds in accordance with implementation schedule and ensure that said

budget has been expended in the fashion envisaged and for the purposes envisaged in the RP.

2 Project proponents will establish appropriate procedures for preparation of periodic reports covering monitoring activities for internal review by project managers and for onward transmission to supervisors and to the Regulatory agency (STEA) as part of the project progress reports, at least once in six months.

3 In projects with significant social impacts, the project proponents will contract an experienced external monitoring agency (international and domestic consultants, research and academic institution or other relevant agencies) with necessary skills and expertise in resettlement planning and implementation for periodic monitoring of resettlement implementation activities.

4 The contracted External Monitoring Agency will carry out monitoring in accordance with its terms of reference and submit periodic reports, at least once every six months, to the Project Owner.

5 Project Owners will submit a copy of the external monitoring report to the Regulatory Agency (STEA) for review.

6 The internal and external monitoring of resettlement implementation activities will continue until the completion of all resettlement activities in the project.

7 In projects with impacts upon ethnic minority groups, the project proponents will ensure that community participation and consultation framework and grievance redress mechanisms are developed in close consultation with community leaders and local officials in culturally appropriate ways familiar to the affected communities.

Part VIII

Resettlement Costs and Budgets

Article 33 Resettlement Costs and Budgets

1 Project Owners will ensure that all resettlement planning and implementation costs, including that of the EMDP and SA, are determined during the feasibility stage of project preparation and that these costs are included as an integrated part of project for purposes of costs and benefit and economic analyses and for getting approval from the GoL PDR.

2 Project Owners will be fully responsible for timely provision of funds in a timely fashion to meet all costs of planning and implementation of resettlement and compensation, EMDP and SA. To facilitate availability of funds, project proponents will make advance provisions for yearly budget requirements in accordance with the implementation schedule.

3 Project Owners will determine sources of financing all costs associated with resettlement and other social issues during the project preparation stage.

Part IX
Functions and responsibilities of Institutions

Article 34 The functions and responsibilities and the processes required in resettlement planning and implementation are as follows:

1. Science, Technology and Environment Agency (STEA)

The Department of Environment of the Science, Technology and Environment Agency (STEA) in the Office of the Prime Minister is assigned with the overall responsibility for coordination and regulation of compensation, resettlement, and rehabilitation activities in development projects nationwide. The Department of Environment will perform an oversight function through regulation, monitoring and supervision of resettlement activities in development projects. The Department of Environment will:

- Carry out nationwide dissemination of information on the Decree and these Implementing Regulations on Compensation and Resettlement through using tools and methodologies, as appropriate.;
- Review, evaluate and propose STEA to approve or reject project reports and documents that are presented in the Part III of these Regulations.
- Carry out periodic inspections & monitor resettlement implementation activities and review monitoring reports of the external monitoring agencies; and
- Provide technical guidance to implementing agencies and other private sector project developers.

2. Project Owner

The key functions and responsibilities of the Project Owner are to properly and strictly comply with the provisions determined in article 4 of Decree on Compensation and Resettlement and these Implementing Regulations and the detailed provisions in the Technical Guidelines on Compensation and Resettlement.

3. Line Ministries and Other Technical Agencies at National Level

All line ministries and other relevant technical agencies at national level shall extend full cooperation and assistance to the Project Owner in carrying out field studies, surveys, consultation with affected communities, and in addressing complaints and grievances as and when requested by Project Owner and STEA. In addition, they will provide comments for the draft reports produced by the projects.

4. Local Authorities

Local authorities shall assist the Project Owner in the following resettlement planning and implementation activities:

- (a) public information dissemination and consultation
- (b) conducting census, socioeconomic and inventory of losses surveys
- (c) establishing compensation prices for all categories of losses
- (d) validating tenure status of land and structures

- (e) the payment process for compensation and assistance
- (f) planning and implementing resettlement and rehabilitation activities at the district and commune level and
- (g) Assisting Project Owner in addressing grievances and complaints.

In addition, they will provide comments for the draft reports produced by the projects.

Part X Rewards and Sanctions

Article 35 Rewards

Line ministries and various relevant agencies both at national and local level have the right to make proposals for rewards or other appropriate forms of recognition for the achievement of the Involuntary Resettlement process in Lao PDR to persons, entities, companies or any organization that have made remarkable accomplishments in the planning and implementation of compensation, resettlement and rehabilitation programs.

Article 36 Sanctions

Any person, entity or any organization that violates these Implementing Regulations shall be sanctioned by the following measures: warning, re-education, fine and criminal punishment that is commensurate with the violation.

In addition, STEA, may impose additional sanctions, including orders to: cancel the resettlement compliance certificate, issue an order to solve, mitigate or compensate, resettle and rehabilitate the impacts of the project.

If the matter is more serious, the concerned Project Owner shall be required to issue order to stop the project temporarily or permanently or ask the Committee for Planning and Investment (or its local offices) to remove the investment license of the Project Owner.

Part XI Final Provisions

Article 37 Effectiveness of Implementing Regulations

These Implementing Regulations become effective from the date of signature. Any previously issued implementing regulations or guidelines that are in conflict with the intent of this document are hereby annulled.

**Minister to Prime Minister's Office and
President of Science Technology and Environment Agency**

Signed and sealed
Prof. Dr. Bountiem PHISSAMAY